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# U.S. Seeking Funds to Provide Bodyguards for Foreign Envoys

By Bernard Gwertzman
*New York Times Service*

WASHINGTON — The Reagan administration will seek funds next month to provide full-time bodyguards for certain ambassadors stationed in Washington, a State Department official said Tuesday.

The official said the move grew out of the administration's concern over what it regarded as threats to the physical safety of some ambassadors.

Robert E. Lamb, the director of the department's newly formed Bureau of Diplomatic Security, said he expected about 10 envoys to be eligible for bodyguards at any one time but that the number would fluctuate depending on the threats.

Mr. Lamb said threats had been made against certain ambassadors, but he declined to be specific.

He also declined to say which envoys would receive the increased protection. The State Department's guarding security force will administer the new program and provide the bodyguards, he said.

Authorities said the ambassadors would be protected whenever they moved outside their embassies in Washington and when they traveled elsewhere within the United States.

The plan was characterized as part of a larger effort by the administration to bolster security for United States embassies and personnel overseas that was touched off by a spate of bombings against Americans.

The entire counterterrorist program is to be financed initially under a five-year, $5.5-billion State Department proposal that Mr. Lamb said had just been "substantially approved" by the Office of Management and Budget.

Another official said that the administration, despite sharp cost-cutting measures throughout the government, would seek a supplemental request of about $500 million for the fiscal year 1986 and about $1.4 billion for the 1987 fiscal year.

This represents a dramatic rise in funds sought for the State Department, which is receiving about $4 billion in fiscal 1986, Mr. Lamb said, and is seeking $5 billion for 1987, not including the special funds for security.

At present, the United States provides no bodyguards for ambassadors here. The Secret Service, which is an agency of the Treasury Department, supplies uniformed officers who are stationed outside foreign embassies. But the personal security of the ambassadors until now has been left to the embassies.

There have been no known attacks on ambassadors here, but over the years lower-level Turkish and Israeli officials have been killed.

Mr. Lamb said the bodyguards would be provided only to those envoys threatened by terrorists. A team of about seven agents would be assigned to each ambassador.

Mr. Lamb said that an envoy from one of the Gulf countries returned home last summer to protest what he regarded as inadequate protection here. He would not identify the ambassador, but said he had returned after "making his point."

"It was a country in which they were giving our ambassador superb protection," Mr. Lamb said. He said the administration preferred providing bodyguards to having the ambassadors importing their own armed men, who would be unfamiliar with the area.

Overseas, the United States uses marines to provide security inside embassy buildings. In addition, Mr. Lamb's office provides agents to supervise overall security for the embassy and its personnel.

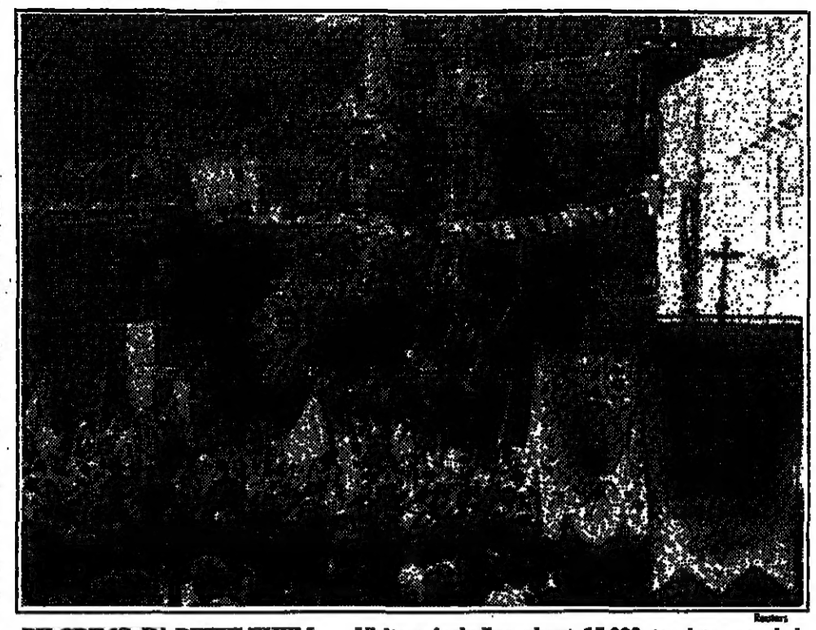
But the embassy usually has to rely on local security forces for protection of the perimeter of buildings and for bodyguards. Mr. Lamb estimated that more than half of the U.S. envoys overseas required local bodyguards.

Of the estimated $5.5 billion being sought through 1990, about $3.5 billion would be used for the construction and renovation of buildings, officials have said. The department has proposed rebuilding 62 embassies and other official buildings, and about the same number would undergo substantial renovation.

On another aspect of security, Mr. Lamb said that the State Department was complying with a congressional mandate to bring the number of Soviet personnel in the United States and the number of Americans in the Soviet Union into rough balance.

An initial contract to send about two dozen Americans to provide maintenance at the new U.S. Embassy building in Moscow has been awarded and the first contingent will arrive in Moscow next month.

An additional 60 Americans will be hired later next year to replace Soviet clerks and other white collar employees now at work in the U.S. Embassy in Moscow.



Reuters

PILGRIMS IN BETHLEHEM — Visitors including about 15,000 tourists crowded Manger Square in Bethlehem for celebrations that featured prayers for peace in the area.

# Jewish Hostage Slain in Beirut; Talks Faltering

*The Associated Press*

BEIRUT — The body of a kidnapped Lebanese Jew has been found in West Beirut as efforts to gain the release of American and French hostages appeared to falter.

Police said Wednesday that the body of Chaim Cohen Halala was found Tuesday a few hours after a militant Moslem group claimed that it had killed him.

A spokesman said Mr. Halala's body was found near a church in Beirut's Riad Solh commercial district. Mr. Halala, 39, had been shot three times, he said.

Meanwhile, negotiators working for the release of foreign hostages left Beirut this week.

Terry Waite, the special envoy of the archbishop of Canterbury, returned to London on Tuesday and said that there could soon be major developments in his efforts to free four American hostages.

"We're at a point where we can move forward creatively quite quickly or, as is often the case in Lebanon, we could really run into major difficulties, very severe difficulties," Mr. Waite said.

Before leaving Beirut, Mr. Waite acknowledged that the kidnappers, from the extremist Islamic Jihad, were still demanding the release of 17 persons convicted in Kuwait for bombing the U.S. and French embassies in 1983.

Mr. Waite, on his third journey to Beirut since four American hostages wrote to Archbishop Robert Runcie last month asking for help in gaining their freedom, said that he had not seen the hostages.

An-Nahar reported Wednesday that kidnappers of four French hostages had offered to trade them for five men serving jail terms in France for attempting to assassinate former Prime Minister Shapour Bakhtiar of Iran.

An-Nahar said Islamic Jihad made the offer during a visit to Beirut by a Lebanese-born French mediator, Dr. Razah Raad, who left for Paris on Monday.

An-Nahar said the kidnappers' main demand was that President François Mitterrand, currently on vacation in Egypt, free the prisoners before the end of the year.

In the eastern Lebanese city of Zahle, the city's Maronite Catholic bishop, Georges Iskandar, was injured on Tuesday when he fought off gunmen who tried to kidnap him, police reported.

The police said the gunmen tried to drag the bishop into a car, but he fought them. After pistol-whipping him, the gunmen fled.

Mr. Halala was kidnapped on March 29 from his home in West Beirut's old Jewish quarter of Wadi Abu Jamil, now inhabited mostly by Shiite Moslems.

A group calling itself the Organization of the Oppressed on Earth claimed in a statement published Tuesday by the An-Nahar independent newspaper that it had killed Mr. Halala.

The typewritten statement said he was killed in retaliation for the shelling of Shiite Moslem villages in south Lebanon by Israeli-backed militia gunners of the mainly Christian South Lebanon Army.

■ **Militias Said to Agree**

Reuters reported from Damascus that rival Lebanese militias agreed Wednesday on a plan aimed at ending their 10-year civil war.

A source close to the militias said the accord was expected to be signed this weekend.

The source said that representatives of Lebanon's Shiite Amal movement, the mainly Druze Progressive Socialist Party and the Christian Lebanese Forces had advised Vice President Abdel-Halim Khaddam of Syria of their agreement before they left for Beirut on Wednesday evening.

The source said the agreement covered all points under discussion "but militias still have to choose the prime minister who will implement the agreement."

# Politburo Member Loses Party Post As Gorbachev Consolidates Power

By Philip Taubman
*New York Times Service*

MOSCOW — Viktor V. Grishin, a senior member of the Politburo, has been removed from his job as head of the Moscow city Communist Party, Tass announced.

Western diplomats said that the removal of Mr. Grishin, likely to be followed by his retirement from the Politburo, was an important step in Mikhail S. Gorbachev's campaign to retire senior officials and consolidate his power.

Mr. Grishin has served on the Politburo for nearly a quarter century, longer than any other current member. He was made a candidate, nonvoting, member in 1961 under Nikita S. Khrushchev, and rose to full member in 1971 under Leonid I. Brezhnev.

Tass, the official Soviet news agency, said Tuesday that Mr. Grishin, 71, was "relieved of the duties of First Secretary of the Moscow City Party Committee in connection with his retirement."

The city committee met Tuesday with Mr. Gorbachev present, the agency said.

Tass said that Boris N. Yeltsin, a national party secretary for the construction industry, had been moved to the Moscow city post, which is one of the most powerful regional party jobs. The incumbent has frequently been a member of the Politburo.

The removal of Mr. Grishin was not unexpected. Since midsummer, the work of the Moscow city party has been subjected to increasing criticism in the press.

Though supporting Mr. Gorbachev's policies in public, Mr. Grishin has been linked by Soviet officials and Western diplomats to opposition within the Kremlin to Mr. Gorbachev.

The diplomats said they gave credence to unconfirmed reports that Mr. Grishin, along with other longtime members of the Politburo, tried to block Mr. Gorbachev from assuming power after the death of Konstantin U. Chernenko in March. In the diplomats' view, Mr. Grishin may have been a rival candidate for the office of general secretary of the party.

Earlier this year, Grigori V. Romanov, another Soviet leader considered to be a rival of Mr. Gorbachev, was retired. Mr. Gorbachev has directed the removal of dozens of ministers and regional party leaders in recent months.

Western diplomats said recently that Mr. Gorbachev's power, though considerable and steadily growing, was not absolute and that he faced opposition within the leadership.

Mr. Yeltsin, the new Moscow city leader, represents a younger generation of professionally trained managers promoted to top jobs this year.

He rose to prominence as a regional leader in Sverdlovsk, in the Urals industrial district, and was brought to Moscow in April to become chief of the Construction Department in the Central Committee secretariat, which carries out the policies made by the Politburo. In July, he was made one of the national party secretaries under Mr. Gorbachev.

The press campaign against the

(Continued on Page 5, Col. 4)

AP

Viktor V. Grishin

# In Beijing, A New Era For Catholics

By John F. Burns
*New York Times Service*

BEIJING — Chinese Catholics of all ages crowded shoulder to shoulder Tuesday for a Latin mass that marked the reopening of the Beitang Church, possibly the most historic structure of Christianity in China.

Elderly worshipers were tearful as the bishop of Beijing, Michael Fu Tieshan, spoke from the altar about the twin-spired edifice "returning to the arms of the church."

The consecration ceremony was followed at midnight by the Christmas Mass, sung in Latin, with a still larger congregation spilling out into a courtyard.

Winston Lord, the U.S. ambassador, and his wife Bette, joined 4,000 other worshipers in singing "Silent Night," "O Come All Ye Faithful" and other carols.

Apart from children sharing pews and aisle space with their families, there was probably no one among the thousands present who was unaware of the sorrow that befell the church after 1958, at the start of the Great Leap Forward, when it was locked on the orders of Mao Zedong and turned into a warehouse for electrical generators.

In 1966, at the start of the other Maoist upheaval of the Cultural Revolution, young militants known as Red Guards broke into the church, smashed its stained glass windows, shattered its stone statues and carried off its hand-carved pews for firewood.

This year the authorities decided to restore the church to the Catholic Patriotic Association, the offi-

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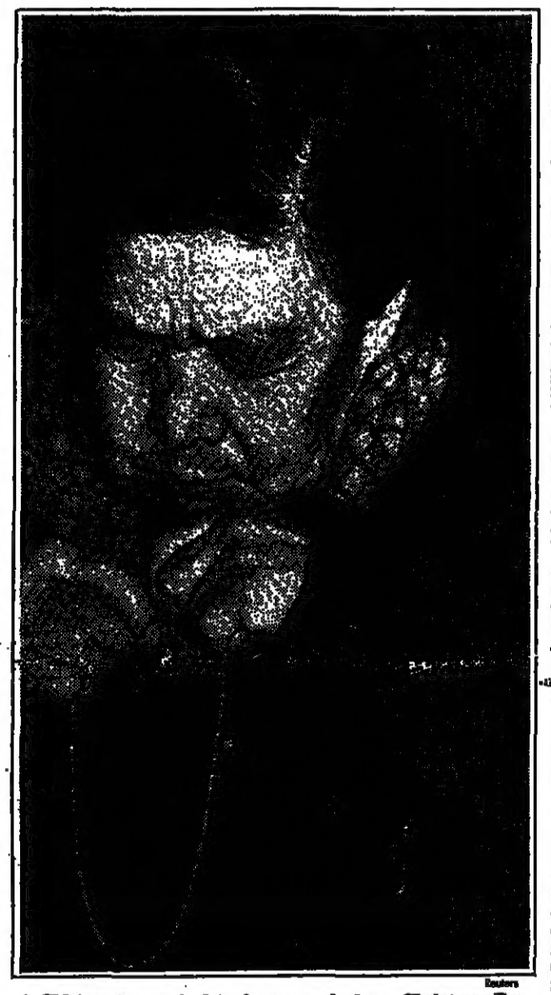

Reuters

A Chinese woman is deep in prayer during a Christmas Eve service at the reopened Beitang Catholic Church in Beijing.

# U.S. Calls Resettlement In Ethiopia a 'Tragedy'

By Clyde H. Farnsworth
*New York Times Service*

WASHINGTON — The top American foreign aid official has said the United States had accounts from witnesses of shocking conditions in two resettlement villages in Gojjam Province in western Ethiopia, suggesting "a vast human tragedy of historical proportions."

M. Peter McPherson, administrator of the Agency for International Development, reported that since March "hundreds have already died" in the villages in the swampy Pawe area, about 150 miles (240 kilometers) northwest of Addis Ababa.

Death was due mainly to malaria, typhus and other diseases, he said. The two villages, designated Pawe 5 and Pawe 7, have a total population of 1,000.

Mr. McPherson said Monday the information came from American government personnel on the scene who speak the local language and had interviewed the villagers.

The villagers had been forced, "often at gunpoint," into the Pawe area from provinces in the arid northeast, Mr. McPherson said. He added that the villagers were now barred from leaving.

He said the Reagan administration was making a public disclosure of the situation because it was symptomatic of a much broader problem — what he called the "human tragedy" associated with forced resettlement of hundreds of thousands of people in Ethiopia, which was been ravaged by famine.

"The problem is that we don't know where the other Pawes are located," he said. "Neither the press nor relief workers have free access around the country. I firmly believe that other Pawes do exist, where people are dying unbeknownst to the world."

UPI

M. Peter McPherson

He said the disclosures would not cause any change in American policy on food aid. The United States supplied about one-third of Ethiopia's food needs this year and is committed to contributing the same amount next year, he said.

More than 500,000 people have been moved in recent months from the arid northeast to more fertile areas in the southern and western parts of the country.

The Ethiopian government is planning to resettle almost three times that many people as part of its effort to prevent future food shortages.

In some of the northeastern provinces such as Tigre and Wello, rebels are fighting the Marxist-led government of Lieutenant Colonel Mengistu Haile Mariam.

Some critics of resettlement, such as the Tigre People's Liberation Front, have charged that the government is trying to rid the region of rebels and those who support them.

Last month the French private relief organization Doctors Without Borders sharply criticized the resettlement program and said as many as 100,000 people have died in the operation. The Ethiopian government expelled the relief organization this month.

Mr. McPherson did not discuss these accusations and confined his criticism to the conditions he said had been revealed by the witnesses.

Several telephone calls were made to Abebe Beyene, first secretary of the Ethiopian Embassy, to obtain his reaction. He declined to return the calls.

Mr. McPherson said the situation in the two Pawe villages "has been brought to the attention of the Ethiopian government."

He added, "We have reason to hope that some steps to reduce the suffering will take place in this particular area."

# Hijacked Soviet Plane Lands in China

*The Associated Press*

BEIJING — A hijacked Soviet jetliner that had run out of fuel landed in China last week, and its passengers and crew were returned safely to the Soviet Union two days later, the Chinese Foreign Ministry said Wednesday.

A ministry spokesman, Ma Yuzhen, speaking at a regular news briefing, read a statement about the incident but refused to comment on the fate of the hijacker or hijacker or to say whether the plane was still in China.

Moscow, the official Tass news agency said Wednesday that the plane was on a local flight when it had to alter its course as a result of forcible actions of an armed criminal on board, and landed in the northeastern part of the People's Republic of China."

Tass did not say what happened to the hijacker, when the incident occurred, what route the plane was flying, or where it landed in China.

It said only that "the Chinese side adopted measures for finding the plane and returning the passengers and crew to the motherland as soon as possible." It thanked China for its "spirit of good neighborly cooperation."

A Chinese official who identified himself only as Mr. Zhao said earlier that the Soviet plane was bound from the Siberian city of Chita to North Korea when hijackers sought to divert it to South Korea.

The Antonov-24 propeller aircraft ran out of fuel and made an emergency landing on flatland in northeast China, he said.

It later was flown to Beijing pending a settlement of the incident, said the official, who was from the city government of Hailar in Inner Mongolia. He said the plane landed in Gannan in Heilongjiang province, which is near the border with Inner Mongolia.

Chinese and East European sources reported that the plane carried 50 people.

Mr. Ma issued a brief statement

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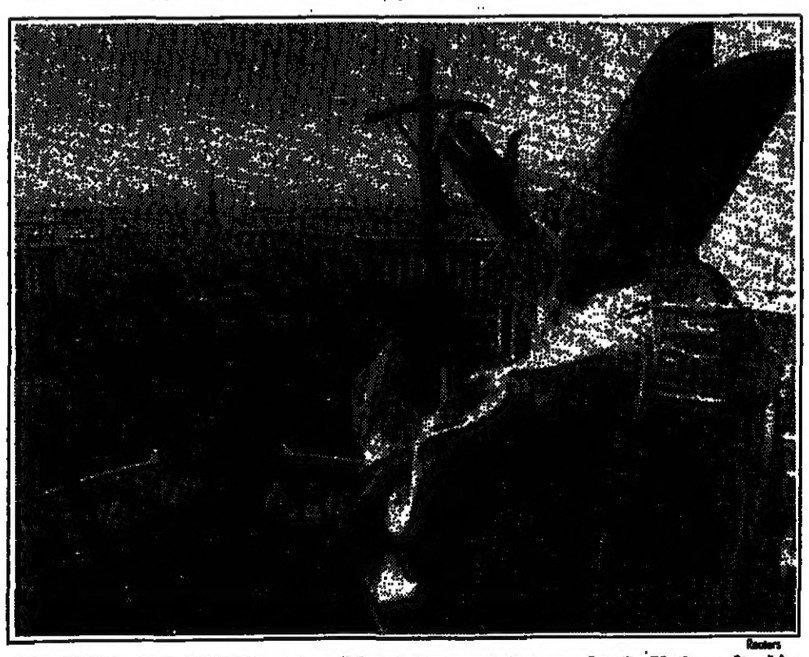


Reuters

CHRISTMAS BLESSING — Pope John Paul II waved to a crowd at the Vatican after his annual message, in which he called for a society built on sobriety and justice. Page 5.

## INSIDE



# Sandinists, Opposing Parties Meet Under Spanish Peace Plan

By Stephen Kinzer
*New York Times Service*

MANAGUA — Nicaraguan government leaders have been meeting privately with prominent opposition figures as part of a new peace initiative sponsored by the Spanish government, participants in the talks said this week.

The talks are aimed, ultimately, at ending the armed conflict in which more than 15,000 Nicaraguans have died in the last four years.

Prime Minister Felipe González of Spain was said to be backing the initiative out of concern that the four-nation peace effort known as Contadora was faltering, and that no other mechanism existed to promote dialogue among political factions within Nicaragua.

"There was a feeling that Contadora was reaching a dead end, and Spain decided to step into the vacuum," said a European diplomat close to the talks.

Under the auspices of the Spanish ambassador in Managua, Luis Cuervo y Savregas, officials of the governing Sandinist Front have met twice with activists from two leading opposition parties. A third session is expected next month.

Participants in the talks said the new initiative was begun without announcement in September, as the Contadora peace effort, which is sponsored by Mexico, Panama, Venezuela and Colombia, was suffering serious reverses. At that time, the Nicaraguan government announced that it would not sign any Contadora agreement unless the United States joined as a guarantor, and several other countries asserted that Nicaragua's action had disrupted the peace effort.

The front's nine-man National Directorate, which is the center of power in Nicaragua, has privately voted to pursue the Spanish initiative, a senior Sandinist leader said this week. Mr. Cuervo said he was considering calling a third meeting in January.

Spain hopes to begin the process of pacification by encouraging talks between the front and two opposition parties, the Independent Liberals and the Social Christians.

According to Rafael Solis Cerda, who was the principal Sandinist representative at the last talks, in November, Spain hopes that the Sandinists will be able to reach a political accord with the two opposition parties. Following such an accord, the Independent Liberals and the Social Christians would be expected to condemn U.S. aid to rebels and to call on the rebels to put down their weapons and negotiate.

At the end of September, shortly after the first round of private talks at the Spanish Embassy in Managua, Erick Ramírez Benavente, the Social Christian leader, said that party would seek during 1986 to open direct contacts with rebel leaders about ways to reach peace.

"We are going to talk to Calero," Mr. Ramírez said this week, referring to the principal rebel leader, Adolfo Calero Portocarrero.

Mr. Solis warned against what he called "undue optimism" about prospects for the Spanish initiative. He said he doubted that the Sandinists could reach a compromise with the opposition parties. And he speculated that even if such an accord were reached, it was by no means certain that the rebels would respond to a plea to stop fighting.

Virgilio Godoy Reyes, head of the Independent Liberals, said that at the first session the opposition parties presented three proposals to the Sandinists. "We asked them

(Continued on Page 5, Col. 5)

# An Outsider Issues a State-of-the-Art Challenge to Fleet Street

By Joseph Lelyveld
*New York Times Service*

LONDON — Eddie Shah works from an office about three miles from Fleet Street, the natural habitat of English newspapers.

He has never set foot in a Fleet Street newspaper, he says, and has never laid eyes on a Linotype machine, the outmoded hot-metal printing machine still in use on every national newspaper in Britain because of the inflexible resistance of most labor unions to the introduction of new technology.

Yet, in a period of upheaval on Fleet Street, Mr. Shah's name comes up quickly in any conversation on the future of the industry in a nation that remains ravenous, despite television, for printed news and opinion, printed gossip and — in the popular tabloids — printed photos of bare-breasted women.

Mr. Shah, 41, broke into the business in the provinces as the publisher of a string of giveaway papers. He may not be of the Fleet Street world, but he is the vanguard of the technological revolution that is finally looming.

Ten weeks from now, on March 4 or 5 according to present plans, the first editions of his new national tabloid called Today will roll off the presses at four satellite printing plants around England.

Aimed at youthful and upwardly mobile middle-class readers and produced from what was designed to be a state-of-the-art newsroom, it will be the first national daily in Britain to have dispensed entirely with Linotype machines and the trade unions whose members operated them.

Mr. Shah's Today will not only start with the technology, in common use in North America and much of continental Europe for more than a decade, that enables editors to set type by pushing a button on a video terminal. But it also aims to be one of the first major papers anywhere to dispense with cut-and-paste layout operations; like the editing, the design and makeup of its pages will be handled on display terminals.

In addition, it will be the first British daily capable of producing and transmitting color pages from its own plant, using the latest computerized equipment.

Starting from scratch with a reported $30 million from outside investors and a staff of only 500 — compared with 6,500 on the slumping Mirror — Mr. Shah has run a detour around the union battles that much less ambitious efforts at technological innovation have provoked on Fleet Street.

He won a major confrontation two years ago with the printers union, which placed his provincial papers under siege to force him to maintain a closed shop. He insists he is not anti-union — Today has signed an agreement with the electricians union — but he rules out closed shops.

Unless his editorial product is a complete failure, Mr. Shah is likely to turn a larger profit in his first year than the whole of Fleet Street combined.

Last year, he pointed out in an interview, Britain's nine national dailies and eight Sunday papers had total revenues of close to $2 billion and total profits of scarcely $15 million; this year, he said, there probably would be higher revenues but a net loss.

If Mr. Shah proves that it is possible to break into the national competition from outside Fleet Street, he will inevitably have imitators. That prospect, plus the losses that some of the old mainstays are now suffering, lies behind the industry's current turmoil.

Control of three of the six highest circulation dailies — The Mirror, the Daily Express and the Daily Telegraph — has changed hands in just over a year. The three papers together sell more than six million copies daily, but each is losing money, mainly, their owners contend, because of overstaffing.

Mr. Shah's challenge to Fleet Street — symbolized by his decision to situate his paper at the other end of town, near the West End in Pimlico not far from the Tate Gallery — will go beyond technology.

A hulking figure who looks like a retired football linebacker going to fat, he means to be a new kind of publisher producing what will be, for Britain, a new kind of paper.

Fleet Street, like much of Britain, has suffered from elitism, he says. Publishers have used their papers to advance their views, regarding it as their right to tell readers what to think. There is no need to wait till the next election to know that the Mirror will be the only paper to support the Labor Party, or that the Telegraph will stand, as always, with the Conservatives.

By contrast, Today will cast itself as an independent voice, reflecting the views of an independent readership.

Asked whom his paper would back in the next election, the shirt-sleeved publisher replied: "How can you know that three years ahead of time? Papers may make up their minds as far ahead as that, but people don't."

Mr. Shah was born in England. His mother was British; his father was of Iranian stock, by way of India. His full name is Selim Jehan Shah.

Important newspaper publishers frequently make their way to the House of Lords. Asked if he could see himself as Lord Shah, he said he did not believe that people who influence public opinion should accept titles from the government.

"I wouldn't take it anyway," he said.

**Unless his editorial product is a complete failure, Mr. Shah is likely to turn a larger profit in his first year than the whole of Fleet Street combined.**

The New York Times

Eddie Shah at his printing plant in Warrington, England.

The Associated Press

Winnie Mandela, the wife of the jailed black nationalist leader Nelson Mandela, was given a Christmas card Wednesday by Trevor Manuel, a leader of the anti-apartheid United Democratic Front, to deliver to her husband.

# 4 South African Blacks Slain by Police, Militants

*Washington Post Service*

JOHANNESBURG — Four more black South Africans died Wednesday as racial unrest continued unabated on Christmas Day.

One of the blacks was killed when police opened fire several times on crowds in a township 36 miles (58 kilometers) north of Cape Town. The other three died in attacks by militants on other blacks whom they regard as collaborators in the apartheid system of segregation.

On Monday, miners stoned a white security officer to death and two blacks were killed by rubber bullets in a clash at a gold mine near Johannesburg.

Meanwhile, South African whites reacted with anger and alarm to the deaths of five whites in a bombing near Durban on Monday.

The government and most of the media attributed the killings and the wounding of 61 white shoppers at the resort of Amanzimtoti to the African National Congress guerrilla organization.

■ **Fighting Between Tribes**

The police reported Wednesday that thousands of blacks from the rival Zulu and Pondo tribes have fought battles in which at least 53 persons were killed near the Indian Ocean port of Durban, Agence-France Presse reported from Johannesburg.

A police spokesman said about 2,000 Zulus and 3,000 Pondos clashed Tuesday at Umbumbulu, about 18 miles southwest of Durban in Natal province. Police units moved into the area to restore order, he said. It has not been established what led to the battles.

# Mali and Burkina Faso Report Border Fighting

*The Associated Press*

ABIDJAN, Ivory Coast — Two neighboring West African nations, Mali and Burkina Faso, said Wednesday that their forces were engaged in combat against each other in a long-standing border dispute.

The Mali government said it had launched a "vast offensive" against Burkina Faso. It confirmed Burkina Faso reports of border fighting but denied that it had suffered any casualties or losses.

Earlier, Burkina Faso, formerly known as Upper Volta, had accused Mali of attacking four border villages and killing four people and wounding 11 others — all civilians. Burkina Faso said that its troops counterattacked, killing 10 Malian soldiers and destroying six Malian tanks.

The respective claims were made in broadcasts by the state radio stations controlled by the two countries, and there was no way to confirm the reports independently.

The dispute dates back at least 25 years and involves about 160 kilometers (100 miles) of land in the Agacher region. The land is supposed to be rich in minerals and natural gas.

Mali and Burkina Faso agreed to take the dispute to the International Court of Justice in 1983. By last September, more than 1,000 kilometers of their frontier had been demarcated to the apparent satisfaction of both parties and their joint border commission.



# *Attacks on Whites Harden Attitudes in South Africa*

By Alan Cowell
*New York Times Service*

JOHANNESBURG — Last week, South Africa's government-run radio had two events involving deaths to report: the killing of six whites in a land-mine explosion near the border with Zimbabwe and the deaths of several blacks in a bus accident.

Referring to the whites, the radio seemed to suspend the nation's normal racial classifications, and referred to them simply as "people."

By contrast, it drew a distinction in describing the bus accident, saying that those who had died were blacks, as if that somehow softened the tragedy.

After decades of rule by racial distinction, the varying descriptions come as no surprise here. But, after a fatal bomb attack Monday in the white seaside resort of Amanzimtoti, just south of Durban, the racial demarcation — a demarcation, in South Africa as elsewhere, not simply of color but of prejudice and attitude — seems to have assumed harsher implications.

More than 1,000 people have now died in political violence since September 1984. It has been the worst bloodshed since the wars a century ago and early this century that pitted Britons and Afrikaners and black Africans against one another for the prize of a continent's wealthiest nation.

Most of those who died have been blacks. Some have been as

**NEWS ANALYSIS**

young as the three toddlers who were among the five dead in the explosion near Durban on Monday.

A reporter, over the last year, might retain twin images of this torn land — the truncated mound of sand below the blue gum trees that marked the grave of a two-year-old black in Cape Town, who had choked on tear gas fired by the police just after Christmas, and the smear of red blood on a white plastic chair where a small, white life expired in Amanzimtoti just before Christmas.

A sentimentalist might say the children, had they ever met, might have played with one another were it not for the fact that South Africa has mortgaged its children's future to a past of separation and hatred.

Yet, for those who support the Afrikaner minority that wields power in this divided land, the imagery is different. Black death, to many whites, is but a consequence of the enforcement of what is called law and order.

The slaying of the five whites near Durban, touching the raw nerves of those who control the power of the government, by contrast, seems to those same people a hurt and a challenge that must be met with the punishment that history's overlords reserve for their underlings.

The consequences stretch far beyond the shattered glass and blood-stained linoleum of the shopping mall in Amanzimtoti. If there was a mood among the whites who saw the bloodshed in Amanzimtoti, other than shock, it was a desire for vengeance.

In recent days, it has seemed to whites, the nature of the war between apartheid rule and a restive black majority has changed, fundamentally, and probably irreversibly.

"Terrorism is becoming a new reality in South Africa," said Business Day, a newspaper that frequently criticizes the government, referring to the land-mine explosion and the Amanzimtoti bombing.

"The response, predictably, is a crackdown by the authorities," it said.

The bomb explosion Monday seems to have been as much a watershed for the African National Congress, outlawed for a quarter of a century, as it was for whites.

The organization has not taken responsibility for the explosion, but the government and many whites have blamed it.

Over the last year, the Congress has built up a remarkable respectability among South African whites: leading businessmen and newspaper editors have made the pilgrimage to Zambia to meet with its leaders; churchmen and Afrikaner students, too, have sought to follow the same route, and its own sense of unprecedented influence over South Africa's future has burgeoned in direct proportion to the continued protest of the nation's segregated black townships.

Increasingly, the Congress has been cast as the principal combatant in the war against the white authorities, and the bomb blast Monday hardened the lines. Many South African commentators believe, however, that the result will not be a weakening of Afrikaner resolve, but a strengthening of it that will prolong the nation's crisis.

Conciliatory gestures by the whites are virtually ruled out by the recent killings of whites — far fewer in number than black deaths, but far greater, in their impact, on those Afrikaners who have wielded power in South Africa since 1948.

# Angola's Religion: Christianity Gaining on Marx

By James Brooke
*New York Times Service*

LUANDA, Angola — On Karl Marx Street, a rich chorus of African voices brought passersby a lilting refrain: "God gives you love, God gives you peace, shalom, shalom."

Audible through the open windows of Our Lady of Carmo Church, a youth group was holding its weekly Sunday session of prayer, discussion and song.

Composed of 30 adults ranging in age from 18 to 25, the group represented a generation of Angolans who grew up under Marxism and are now fueling a religious revival.

"Maybe the forbidden fruit is the most desirable," a nun said in explaining the revival. "Our Sunday school has increased from 150 children in 1976 to 900 today."

Christmas here has been officially renamed "Family Day." Carnival, traditionally held before Lent, is now celebrated as "Carnival of Victory" with celebrants dancing under posters of Marx, Engels and Lenin.

But despite a decade of these and other moves against religion, Protestant and Roman Catholic leaders say churches throughout Angola are packed on Sunday mornings. The few seminaries still open have to turn away as many as four out of five candidates for the lack of space, they say.

"The churches are growing by 8 percent to 10 percent a year," said Emilio de Carvalho, the presiding bishop of the United Methodist Church of Angola. He said that his church, one of the largest Protestant denominations here, had grown to 90,000 today from 42,000 in 1974, on the eve of independence.

This religious renaissance is taking place in a society that is one of Africa's most orthodox Marxist regimes.

According to a report issued this month by the Central Committee of the ruling Popular Movement for the Liberation of Angola, "the Party should put more attention to the propagation of atheist conceptions as expressed by Marxist-Leninist theory."

Although the constitution guarantees freedom of religion, the official policy over the last decade has ranged from tolerance to repression.

Shortly after independence, the Roman Catholic Church, which many Angolan nationalists saw as an ally of Portuguese colonialism, was harshly attacked. In late 1977, Angolan bishops protested in a pastoral letter written in frank language rarely heard here.

"Freedom of expression has almost disappeared," the bishops wrote. "The Marxist system is presenting itself as a new religion."

The regime reacted by nationalizing all church schools, hospitals, nurseries, most seminaries, and most of the warehouses and property of the Roman Catholic relief agency Caritas.

Today, a former Dominican convent is used as the National Party School. The broadcast studios of Radio Ecclesia, the former Catholic radio station, are now a school for radio technicians.

A former religious retreat outside Luanda has been used as a barracks for Cuban soldiers. A Catholic-owned printing press is now used by the government's Department of Information and Propaganda.

The state campaign against religion largely spared Protestant churches, many of which had been partly clandestine in the last decade of Portuguese rule.

In addition, by 1982, the authorities apparently realized that the campaign against religion had alienated many Angolans and may have driven some into the arms of Jonas Savimbi's anti-government rebel force, the National Union for the Total Independence of Angola, or UNITA.

In late 1982, the architect of the campaign, Ambrosio Lukoki, the party secretary of ideological affairs, was dismissed. Since then, an uneasy truce has prevailed between church and state.

In the countryside, religious life often has fallen victim to the civil war. Catholic leaders complain that the guerrillas have kidnapped 60 of their foreign missionaries, forcing many missions to close.

But in the cities, church life is robust.

"The most important thing is that the church can live without buildings," said a Catholic missionary who has worked here for 40 years. "We are a poor church, but we are stronger than ever before."

# *Thatcher Assails Allies Over Falklands*

*The Associated Press*

LONDON — Prime Minister Margaret Thatcher has told residents of the Falkland Islands that they have been let down by Britain's friends.

In a Christmas message broadcast Tuesday, she criticized allies who voted last month for a United Nations resolution calling on Britain and Argentina to negotiate all aspects of the South Atlantic archipelago's future.

The United States and a number of Britain's other allies abstained on British amendments endorsing the right to self-determination for the 1,800 Falkland Islanders and supported the resolution. The amendments were defeated.

Australia, Canada, France, Greece, Italy, Sweden, Trinidad and Turkey, which had abstained on a pro-Argentine resolution last year, supported this year's resolution.

"I regret that at the recent General Assembly so many of our friends proved unwilling to face up to the real issues at stake," she said. "They were content to have self-determination for themselves, but not all of them were content or prepared to vote for it for the peoples of the Falkland Islands."



# WORLD BRIEFS

## Mount Etna Erupts; 1 Killed, 14 Hurt

CATANIA, Sicily (Reuters) — Mount Etna erupted Wednesday, spewing streams of molten lava from its side. Accompanying earth tremors flattened a hotel where five families were spending Christmas, killing a man and injuring 14 persons, rescue workers said.

Officials said the eruption of the volcano was coupled with three earth tremors. They said that no houses or villages were in immediate danger and that no other buildings were damaged by the quakes.

Geologists said that the largest earthquake's epicenter was directly under the hotel on the slopes of Mount Etna. The eruption sent three streams of lava oozing down the side of the mountain. Two smaller quakes followed, but geological experts said that no more big tremors were expected.

## 50 Vietnam Refugees Reported Slain

UNITED NATIONS, New York (NYT) — Fifty Vietnamese refugees were slain and 10 women were raped last week when their boat was intercepted by pirates in the South China Sea, a spokesman for the UN High Commissioner of Refugees reported.

The victims were among a group of 80 refugees who fled Vietnam for Malaysia on Dec. 12, the spokesman, Leon Davico, said Tuesday. Twenty-nine survivors, mostly women and children, sailed into Malaysia and requested asylum there Thursday, he said. Another survivor was rescued by Malaysian fishermen.

Reports from the high commissioner's office said the pirates were Thai fishermen. The location of the attack was unknown. Pirates have killed nearly 1,450 refugees and raped more than 2,300 women in the South China Sea since 1980, authorities have said. The most recent incident is the third large-scale slaying to have taken place there in two years.

## Zaire Frees Foreign Soldiers on Plane

KINSHASA, Zaire (Reuters) — Zaire has freed 44 foreign soldiers who were on a plane that made an emergency landing on its territory, Kinshasa radio reported Tuesday night.

The 40 Cubans, three Angolans and a Cameroonian were handed over to the Angolan deputy foreign minister, Venancio de Moura, after he met President Mobutu Sese Seko on Monday, the radio said. Mr. De Moura left with them later for Angola, it said.

The Soviet-built Antonov military transport plane was flying from the town of Luene in Angola to the Angolan enclave of Cabinda when it landed in Zaire 180 miles (about 300 kilometers) southeast of Kinshasa on Dec. 1. The soldiers set it on fire and destroyed documents. The Cuban deputy foreign minister, Jorge Bolanos Suarez, told Mr. Mobutu in Paris last week the aircraft had run out of fuel and lost its way.

## FBI Tapes Allowed for Donovan Trial

NEW YORK (NYT) — A New York state judge has approved the use of secretly recorded tapes in the larceny and fraud trial of Raymond J. Donovan, a former U.S. labor secretary, and nine other men, and said that he would set a date Jan. 6 for the start of the trial.

Justice John P. Collins, of State Supreme Court, ruled Monday that the tapes had been legally obtained in 1979 by the Federal Bureau of Investigation in an organized-crime investigation and could be used as evidence in the state trial of charges that the defendants participated in a scheme to defraud the New York City Transit Authority of $7.4 million on a Manhattan subway construction project.

However, the judge rebuked the FBI's New York office for "disorder," "lack of leadership" and "chaos" in conducting a largely unsuccessful inquiry into a reputed Mafia ring that was believed to have its headquarters in a South Bronx meatpacking plant.

UPI

Raymond J. Donovan

## China Assails Kremlin on Afghanistan

BEIJING (AP) — China denounced the Soviet presence in Afghanistan on Wednesday, saying that it undermined regional stability and threatened China.

The criticism was delivered by a Foreign Ministry spokesman, Ma Yuzhen, at a news briefing. It came two days after Li Peng, a deputy prime minister, met in Moscow with Mikhail S. Gorbachev, the Soviet leader. That was the highest-level meeting between the two countries since 1969.

Mr. Ma expressed China's support for the guerrillas fighting the Soviet-backed government in Afghanistan and repeated Beijing's demand that Moscow withdraw its troops, estimated to number 115,000.

## Curfew Is Imposed in Town in Punjab

CHANDIGARH, India (Reuters) — An indefinite curfew has been imposed on the Punjab town of Gurdaspur after at least one person died and eight were injured when police opened fire to break up Hindu-Sikh riots, a senior official said.

The official in the state capital of Chandigarh said the shooting was ordered late Tuesday after police using riot sticks and tear gas were unable to disperse groups of Hindus and Sikhs battling with iron rods, bricks and stones.

He said the clashes erupted when supporters of the rightist Hindu Shiv Sena group attacked some Sikhs over several temporary wooden shops erected by the Sikhs in the town about 12.5 miles (20 kilometers) from India's border with Pakistan.

## For the Record

President Augusto Pinochet of Chile met with the archbishop of Santiago, Cardinal Juan Francisco Fresno, for the first time in two and a half years Tuesday. But the cardinal refused to say a private Mass for the president in the government palace. *(UPI)*

The Algerian National Liberation Front party, which has ruled the nation since independence in 1962, opened an extraordinary congress Tuesday to approve changes in a national charter adopted in 1976 under the late President Houari Boumédienne. *(Reuters)*

The death toll rose to 10 from a train crash Sunday in northern Italy as rescue workers recovered four more bodies, the police said. *(Reuters)*

China announced the appointment of a new governor of Xinjiang, the strategic northwestern region that runs along the Soviet border. Tomur Dawamat took over from Ismail Amat. *(Reuters)*

## DOONESBURY

# AMERICAN TOPICS

## ancy Reagan Says o to Third Term

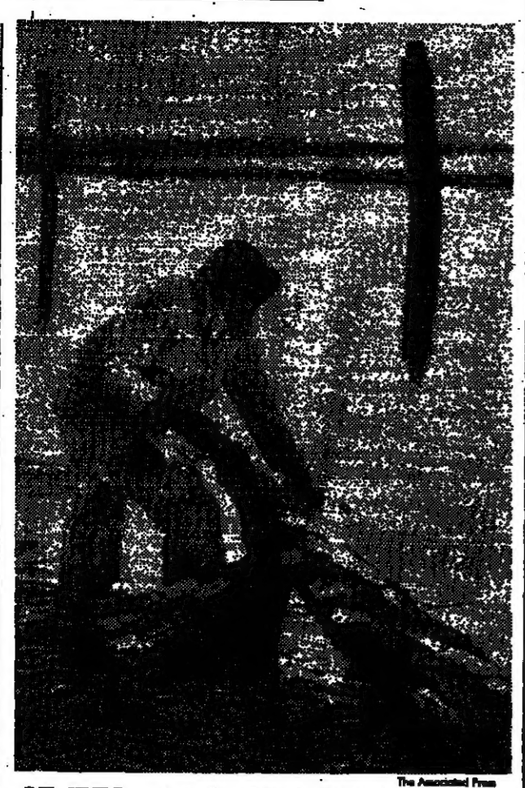
Nancy Reagan says she rees with her husband that e constitutional ban on a esident's being elected to ore than two terms is "bad w" and should be repealed, it that a third term "is not for ."

The First Lady, in an interew with Helen Thomas of nited Press International, said at when she and President onald Reagan leave the White ouse they will look for a home the Los Angeles area. But she id: "I don't want a great big ge house with huge grounds."

"We get along fine," she said Donald T. Regan, the White ouse chief of staff. "I'm sure isn't trying to take over the hite House. I like somebody ho is straightforward and has good sense of humor, which does."

Mrs. Reagan said Raisa M. orbachev, the wife of the Soet leader, Mikhail S. Gorbaev, is "very strong, very comitted to her philosophy." The o women met in Geneva last onth.

Mr. Gorbachev, she said, as a nice little sense of huor." Mrs. Reagan added, "I ink that he obviously is not ing to change Ronnie's ideas d Ronnie is not going to hange his ideas. But that's all ght."



The Associated Press

**OIL SPILL. — A worker, Martin Dirks, helped to clean up oil that washed ashore at the harbor in Port Angeles, Washington. Thousands of barrels of crude oil have been spilled since an oil tanker ran aground Saturday.**

## hort Takes

The U.S. Supreme Court has a stand two lower court rulgs that the late Nelson A. ockefeller was not entitled to ebuct from his taxable income 000 he spent on lawyers' accountants' fees in his sucful quest of Senate confirtion as vice president in 74. A lower court ruled that se expenses were not inred in pursuing the duties of s office, "but in seeking to tain that office."

Tom Wicker, a columnist for e New York Times, has ned with Random House to te a biography of Richard Nixon that will focus on the mer president's foreign poy achievements. Mr. Wicker otes that Mr. Nixon's first administration saw the opening of litions with China, the first rategic Arms Limitation alks and the start of détente.

Van Gordon Sauter, 50, who was president of CBS News in 1982-83, has returned to his second tour in the same job, which he likens to that of a lion tamer who, armed solely with a chair, whip and gun with blank ammunition, must keep the animals on their perches: "You'd better keep those cats on the stools because if they ever chase you out of that cage, they'll never let you back."

The Christmas card sent by the Citizens Committee for the Right to Keep and Bear Arms to President Ronald Reagan, members of the cabinet and Congress among others, shows the infant Jesus in a cradle with Santa Claus kneeling over him. Santa is holding a rifle, has a pistol strapped to his belt, and another rifle is peeking out of his bag of gifts. Representative G. William Whitehurst, Republican of Virginia, said the card "hardly captures the sense of peace on earth, good will toward men."

Just when you had been planning to leave the company Christmas party early and beat the rush home, the Office Bore gets you cornered. The problem vanishes with Timely Beeper, a fake beeper that looks and sounds like the real thing but sells for only $29: a discreet flick of the wrist and 20 seconds later, your beeper is squawking urgently and you are headed for freedom. "Got to run," you say. "Let's do lunch sometime."

For $9.95 at a shopping mall in the Washington suburb of Woodside, Virginia, parents can get a three-minute videotape of their children talking to Santa Claus. The feature is so popular that during peak shopping hours four Video Santas have been on duty.

*— Compiled by* ARTHUR HIGBEE

# Reagan Proposes Talks on Arms Verification Issue

By Michael R. Gordon
*New York Times Service*

WASHINGTON — President Ronald Reagan has written to Mikhail S. Gorbachev, the Soviet leader, proposing that experts meet to discuss improving the verification of agreements on underground nuclear tests, according to a senior administration official.

Officials said Tuesday that Mr. Reagan's letter reiterated the long-standing position that improved verification would allow the United States to ratify two treaties signed in the 1970s that would limit the size of underground tests.

Mr. Reagan also affirmed the United States's refusal to join the Soviet Union in its halt on underground testing, officials said. Moscow has said that its moratorium will lapse at the end of the year unless the United States joins in.

In a report to Congress made public on Monday, Mr. Reagan said the Soviet Union might have exceeded agreed limits in underground testing, though he said there were "verification uncertainties." Some experts do not agree with this allegation.

A group of scientists chosen by the Pentagon recommended in a secret report in October that the United States alter its procedures for evaluating the yield of Soviet nuclear tests and lower its estimates of the size of Soviet underground explosions.

Government officials said the recommendations were under review and had not influenced the findings in a recent report on purported Soviet violations of arms control treaties.

Mr. Reagan's letter was said to have been sent in response to a Dec. 5 letter from Mr. Gorbachev, who once again urged the United States to join in the Soviet test moratorium.

Mr. Gorbachev proposed that observers could visit each other's territory to make sure that the United States and the Soviet Union abided by the moratorium. He also proposed resuming talks with the United States and Britain on a comprehensive ban on nuclear tests. The talks were carried on during the Carter administration.

Larry Speakes, the White House spokesman, has said that the United States finds the Soviet offer of a joint moratorium unacceptable. But officials said they welcomed the emphasis in Mr. Gorbachev's letter on verification concerns.

An official said that Mr. Reagan's letter had largely restated earlier positions, but that the proposal for a meeting of experts on measuring the yield of underground explosions was a new element.

Under Mr. Reagan, the United States has taken the position that the Soviet Union must agree to additional verification measures before two signed treaties can be ratified.

One is a 1974 treaty on the limitation of underground weapon tests, also known as the threshold test ban treaty, which limits the yield of explosions to 150 tons (136 metric tons), equivalent to 150,000 tons of TNT; the other is a 1976 treaty that extended the limit to nuclear explosions for excavation and other peaceful purposes.

Underground nuclear tests are the only ones allowed since the 1963 limited test ban treaty banned weapon tests in the atmosphere, in outer space and under water.

■ **Shevardnadze Criticizes U.S.**

Foreign Minister Eduard A. Shevardnadze of the Soviet Union has accused the White House of failing to react positively to last month's summit meeting in Geneva and said U.S. allies were helping to undermine its results, Reuters reported from Moscow.

Speaking at a reception Tuesday for Foreign Minister Ilie Vaduva of Romania, Mr. Shevardnadze said Moscow had taken a number of positive steps since Geneva to reduce tension, such as removing some SS-20 missiles in Europe from standby alert.

But Washington had made no positive response, he added.

"It is a fact that Washington has not reacted positively, has not responded to any manifestations of goodwill, to any constructive signal of ours," Mr. Shevardnadze said, according to the Soviet press agency Tass.

He said the willingness of Britain and West Germany to discuss joining in the U.S. Strategic Defense Initiative showed "a deep rift between statements in support of the results of Geneva and actions that are undermining these results."

# *U.S. Aide Says Ban Won't Kill Satellite Weapons*

By Walter Pincus
*Washington Post Service*

WASHINGTON — Defense Department officials plan to continue development of a $4-billion U.S. anti-satellite weapon despite a new congressional ban on tests against objects in space as long as the Soviet Union does not conduct such tests, a Pentagon official said.

One possibility under study is to fire a test weapon against "a point in space" rather than at two $20-million targets that were put into orbit Dec. 12, the official said.

He said the air force "won't do anything in direct violation" of the congressional language that was attached to an omnibus spending bill and signed into law by President Ronald Reagan last week. But, he added, "We will find a way to go ahead."

The anti-satellite, or ASAT, weapon is launched from an F-15 fighter and guides itself into the path of a target satellite, destroying it on impact.

The development program was initiated in 1977 by President Jimmy Carter as a bargaining chip in negotiations with the Russians to bar such weapons. When those talks failed, the Reagan administration pushed development because the Russians had a rudimentary anti-satellite weapon.

In 1983, the Soviet Union announced a moratorium on testing its ASAT system and called on the United States to follow suit. Mr. Reagan refused, arguing that the United States had to develop its own system.

U.S. critics of that decision said the more advanced American weapon could trigger an anti-satellite arms race.

Congressional opponents of the anti-satellite system hailed approval of the House-Senate language banning tests against targets in space as a major step in arms control.

Representative George E. Brown Jr., Democrat of California, said that without the ban the air force would have conducted two tests next year against targets.

"With two more successful tests," Mr. Brown said, "the air force could have declared the system operational and begun the process of full deployment."

Congress also removed $98 million last week that the administration had sought to begin procurement of the ASAT in fiscal 1986.

Mr. Brown said recently that he planed to seek an end to the system next year.

"If they want to go after satellites," he said, "they should go for a modern laser system."

One of Defense Secretary Caspar W. Weinberger's top assistants said Tuesday, "The congressional ban must be undone." He called the anti-satellite program one of the administration's most important efforts that "must be continued."

A Pentagon spokesman said continuing the program "will keep the Soviets' feet to the fire" in arms control talks.

The project has been controversial with the uniformed services, in part because of its ineffectiveness against advanced Soviet satellites, and in part because of its high cost.

About $1.2 billion has been spent on development, Pentagon sources said. That has bought two test weapons, one of which was fired against a point in space in 1984 and the other against an old satellite in September.

There also has been funding for nine target missiles, 13 test weapons and modifications for F-15 fighters used for testing.

Congress split this year on limiting the program. It approved an authorization bill permitting two tests.

But when it came time to appropriate funds, the House of Representatives voted to prohibit tests against a target in space "until the president certifies that the Soviet Union has conducted, after Oct. 5, 1985, a test against an object in space of a dedicated anti-satellite weapon."

Pentagon lawyers determined that they could finance the two tests the air force planned for next year by using 1985 funds. They suggested that Senate conferees accept the House language, one participant in the conference recalled, because it limited spending of only 1986 funds.

However, this source said, Senator Ted Stevens, Republican of Alaska, chairman of the Senate conferees on military spending, warned House members of the Pentagon plan and they added language that prohibited use of past-year funds for the tests.

# U.S. Lays Plans to Drop New Zealand From Pact

By Michael Weisskopf
*Washington Post Service*

WASHINGTON — The United States is formulating plans to renounce its security obligations to New Zealand because of that nation's plans to ban visits by U.S. ships carrying nuclear weapons, according to administration officials. But they said the United States will not discard its regional defense treaty, which includes Australia.

The U.S. mutual defense treaty with New Zealand and Australia, known as ANZUS, would remain intact to prevent disruption of U.S. military relations with Australia, which include ties that anchor Western security interests in the South Pacific.

"We'd keep the framework in place without the substance," a Defense Department official said. "New Zealand would remain a member in name only, and military cooperation with Australia would continue as usual."

The 34-year-old treaty has been strained since New Zealand decided in February to bar port entry to a destroyer, the Buchanan, because the United States refused to say whether it carried nuclear weapons.

In protest, the administration canceled ANZUS naval exercises, halted the sharing of intelligence with New Zealand and warned that any move to formalize the nuclear ban would trigger a U.S. reassessment of its treaty obligations to New Zealand.

But Prime Minister David Lange of New Zealand, elected in July 1984 on an anti-nuclear platform, rejected the warning and asked his Parliament two weeks ago to prohibit port calls by foreign warships and landings by foreign aircraft unless the prime minister was satisfied that they were free of nuclear weapons.

Administration officials said the proposed ban on aircraft capable of carrying nuclear weapons was also unacceptable to the United States. The legislation that would prohibit visits by nuclear-powered ships would involve about 40 percent of the U.S. Pacific fleet.

Although the two governments are attempting to negotiate their conflicting concerns, U.S. officials are increasingly pessimistic.

A bipartisan group of senators sent a letter Thursday to Mr. Lange and President Ronald Reagan saying that relations were "in danger of very serious deterioration" and urging them to work out a compromise.

New Zealand is considered to be of limited strategic importance to the United States. A small number of U.S. ships called at New Zealand ports each year until the current controversy.

A logistics support facility in Christchurch is a refueling point for military planes transporting personnel and equipment for the National Science Foundation's research in the Antarctic.

Access to New Zealand ports and landing fields is considered important chiefly for ANZUS military exercises, repairs and rest and recreation for crews.

Australia receives dozens of American ship visits annually. It has six joint military facilities, including important intelligence-gathering posts and a center for servicing submarine communications equipment.



# *eagan Was 'Fully Aware' of Scope f Polygraph Order, Spokesman Says*

*United Press International*

ASHINGTON — A White se spokesman insisted Tuesday President Ronald Reagan was *ly aware" of the scope of an* he signed requiring lie-detectests for thousands of governt workers who see secret docuts.

he Washington Post, citing unified administration officials, rted that the president had prily said he did not completely erstand the ramifications of the tive he signed secretly Nov. 1 ghten protection of classified rmation.

fter the order, known as Nal Security Directive 196, was aled *in news reports* Dec. 11, etary of State George P. Shultz atened to resign if ordered to mit to a lie-detector, or polyh, test.

r. Reagan revised the order ay to give individual departts wide discretion in using the .

e White House spokesman, y Speakes, denied the Post resaying: "The president was aware, fully briefed. The story ong."

**ides Weren't Told**

*vid Hoffman of The Washing-Post reported earlier:*

e order was signed without the vledge of some top White se officials who have opposed the tests, administration sources said Monday.

Fred F. Fielding, White House counsel and one of the president's top advisers on legal issues, was among those not informed of the lie-detector, or polygraph, provisions in National Security Decision Directive 196 at the time Mr. Reagan signed the secret order, the sources said.

Disclosure of the order in news reports surprised many other senior White House aides.

"The question is, who did know?" an aide said.

Treasury Secretary James A. Baker 3d, a National Security Council member who objected to polygraph tests when he was White House chief of staff, was described by sources as busy with the tax-overhaul bill and not present at one of the key meetings leading to the order.

The still-secret order was devoted largely to other measures to combat espionage against the United States. Mr. Reagan apparently focused on those, rather than the section that would have significantly broadened use of polygraphs for government workers and contractor personnel.

Expanded use of polygraphs was advocated by the Central Intelligence Agency director, William J. Casey, and Defense Secretary Caspar W. Weinberger.

Mr. Reagan approved it after being told that the United States faced an intensifying espionage threat and must take more aggressive action against it.

Polygraphs have been used commonly in specific espionage investigations, and by the CIA and the National Security Agency.

Mr. Reagan's order would have authorized their use on a much broader basis, applying them to "all individuals" with access to three categories of highly classified information.

Mr. Reagan scaled back the order Friday after Secretary of State George P. Shultz threatened to resign if asked to take a polygraph.

Sources quoted Mr. Fielding as saying that while using polygraphs might be legitimate in specific espionage investigations, it was wrong to use them for such broad screening as was suggested in Mr. Reagan's order.

Other officials also said privately that they believed that the order had not been adequately checked by the White House staff for legal and political implications. There has been controversy in the courts and in Congress about effectiveness and use of polygraphs.

While advocates say they are a useful tool in investigations, critics contend that polygraphs are inaccurate and can be evaded.

# .S. House Reviewing rocedures on Security

By Ruth Marcus
*Washington Post Service*

ASHINGTON — The House presentatives has started a reof its security procedures after rrest of a man in Washington allegedly tried to pass copies ret House documents to the t Union.

e House general counsel, Steoss, said Monday that House als were considering having hearings transcribed by stephers on the House staff, than turning to outside reg firms. If outside firms are he said, checks of security dures in use at the firms be made.

e House is conducting a reof security procedures and er or not we can continue to n the security clearances that me by the Department of De-" Mr. Ross said.

ne Reporting Co., the compaere the arrested man, Randy Jeffries, worked as an mes-, said in a statement Monday t had undergone a routine se Department check of its ty procedures less than three weeks ago "and no problems or deficiencies were found involving document safekeeping."

According to an FBI affidavit filed in U.S. court Monday, Mr. Jeffries took classified documents from the company and told a coworker he "needed to find a Russian to sell the documents to."

In the affidavit, the FBI said agents searching Acme on Saturday, the day after the arrest of Mr. Jeffries, discovered numerous classified documents, marked Secret and Top Secret, ripped in four pieces and placed in a plastic trash can.

According to Defense Department regulations, classified material is supposed to be destroyed by shredding or burning.

Two employees are supposed to witness the destruction of Top Secret material, and "the destruction process must be sufficient to preclude recognition or reconstruction of the classified information."

The Acme board chairman, Charles L. Richer, said that "what has been published is nowhere near the truth. We don't rip them up and dispose of them in public."

Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

# Winnie Mandela's 'Crime'

To appreciate the bullying nature of the South African government and its mindless resort to coercion, you have first to understand the "crime" committed by Winnie Mandela: She went home. That's it. Mrs. Mandela, wife of the long-imprisoned leader of the African National Congress, Nelson Mandela, and a strong leader in her own right, spent years under an oppressive banning order, combining internal exile and severe restrictions on her daily activity, which she defied in a variety of small ways. Recently, the South African government, in what it seemed to regard as an act of great generosity, eased the terms of the order that had required her to live in remote Brandfort in the Orange Free State, but enjoined her from living in her home in the Black township of Soweto near Johannesburg. Twice she went there and twice she was routed by police, who came into her house, pushed her around and dragged her from the premises.

We stress the simple and profoundly nonviolent character of this so-called "crime," not just to point out the disproportion between what Mrs. Mandela did and the reaction of the security forces, although that will surely strike people here as yet further evidence of the brutishness of the South African government. We stress it also because it so clearly reveals how untenable and self-destructive is the course that government has chosen.

To an American visitor or even an American onlooker from abroad, it often seems incomprehensible that there has been so relatively little peaceful protest or resistance by blacks and their white sympathizers in South Africa. Why do so many people simply walk through the prescribed doors and submit to the painful, rigorous separations, indignities and inhibitions of apartheid? Where are the sit-ins and other familiar forms of civil disobedience? The answer has been that the white government's reaction to such gestures when they were undertaken — opening fire on peaceful resisters — long since discouraged such action. The only recourse, it would then be argued, was the violent clandestine attack, the growing guerrilla enterprise, responding gunfire.

We have surely seen more of the latter activities in recent months. Yet nothing has had the power, emotional and moral, in our view, of the expulsion of Mrs. Mandela from her own home and her determination not to submit to the tyranny of the government. Her resistance shows, first, just how electrifying such an organized peaceful resistance could be. And it shows, second, how pitiful and doomed and evil is the apartheid fantasy the government seeks to impose and maintain: Grown men running around threatening physical punishment for those who merely go to the wrong (i.e., forbidden) place at the wrong time or, under the terms of various banning orders, say the wrong thing to the wrong number or kind of people on the wrong occasion. What fear they must live in! How preposterous the "security" they have fashioned for themselves! It depends on a whole nation's accepting their elaborate protocols of who may be where when and what may be said when they get there.

Winnie Mandela's defiance is her dignity. The guys with guns secured the house. But theirs was an empty victory. By its act the South African government revealed not its strength, but its fear and weakness.

*— THE WASHINGTON POST.*

# Setting the Rules for Military Intervention

**By Jonathan Power**

LONDON — At the end of 1979, when the Soviet Union invaded Afghanistan, the Soviet leadership was totally unprepared for the vehement and bitter reaction in over 90 percent of the world's capitals.

After all, it seemed to many, not just the Russians, that the Rubicon had been crossed when 18 months before Nur Mohammed Taraki had come to power in a coup that raised the red banner over Kabul. But no, for Washington and the majority of both Western and Third World countries, the critical issue was not so much the color of the regime but the crossing of international borders. This was the cardinal sin.

Yet six years later the United States is in the dock in the World Court at The Hague accused of the same offense, in this case because it mined the territorial waters of Nicaragua. At some point during the coming year the World Court will announce its decision. It will be a landmark event in the annals of world law, not to be underestimated merely because the United States has announced that it is going to ignore the court's deliberations.

Statesmen, philosophers, theologians and lawyers have been grappling for centuries with the problem of the rules of war. From St. Augustine's formulations of the just war, through the age of chivalry down to the Nuremberg tribunals and to the present day considerations in The Hague, there have been numerous attempts to control the way in which armed combat is conducted.

The debate on the rules of military intervention in particular goes back two centuries. In 1758 Emmerich de Vattel published his seminal work, "The Law of Nations." He wrote: "If a prince, by violating the fundamental laws, gives his subjects a lawful cause for a national revolt against him, any foreign power may rightfully give assistance to an oppressed people who ask for its aid."

Today the general consensus on international law is far from the philosophy of Vattel. Fighting for freedom and democracy are not in themselves considered to be sufficient *causus bellum*. Each nation has the right to its own independent integrity unless it itself breaks the rules by attacking another. Conversely, as the UN Charter makes explicit, the only just cause for going to war is self-defense. Yet although this is written into the UN Charter and into the charter of the Organization of American States it has never been tested in a court of law before.

So now that it is being put to the judicial test are there any mitigating arguments that the World Court could take into consideration?

It is widely recognized that when a civil war or insurgency has produced such a degree of chaos that law and order have broken down, outsiders have the right to enter and rescue their nationals. But this does not apply in the Nicaraguan case.

Less recognized, but nevertheless widely supported, is the view that a country may answer the request of a beleaguered government that is fighting an insurgency. For example, it is within the right of the Salvadoran government to request American help to fight the guerrilla rebellion. Extrapolated from this is an argument sometimes deployed that the United States is justified in aiding the "contras" because this is a way of undermining the Nicaraguan support for the insurgency in El Salvador.

*Ignoring the World Court and some 200 years of evolving international law is the way of small town politicos, not national statesmen.*

However, this would stand up better if the forces the United States is supporting against the Nicaraguan government were primarily those of El Salvador's government.

The rulers of El Salvador have never shown any interest in turning their guns on Nicaragua. This is not simply cowardice or even expediency. The fact is that the United States has never been able to prove convincingly that the Nicaraguan help to the Salvadoran rebels has been anything more than a trickle.

A third argument, following from the above, is that once a country aids another to help to defeat the rebels then the insurgents also have the right to ask for outside help. Would this let the Reagan administration off the World Court hook? After all, perhaps the Nicaraguans did seek Soviet and Cuban support to put down the resistance before the contras received outside help from the United States. But this will require looking into under a microscope. Moreover, Nicaragua will say Cuban and Soviet military support received both before and since the contra activity is more in the nature of general aid than direct counterinsurgency support.

This may well be the court's debating point, not Vattel's standards of oppression and justice, nor modern concepts of the relative worth of democracy and dictatorship.

This literal rendering of international law bothers some democratically minded scholars and lawyers. One international lawyer, Lloyd Cutler, legal counsel to Jimmy Carter, the former president, argues that outside intervention should be allowed if the insurgency is manifestly pro-democratic fighting a totalitarian regime and the repressive government itself is receiving aid from outside, even if it is only general support not engaged directly against the rebels.

Yet even if this were accepted U.S. support for the contras could hardly be justified since the democratic credentials of the contras are, to say the least, confused. The justices of the World Court, drawn from the wide ideological membership of the United Nations, will not give this argument the time of day.

Mankind can only live tolerably if there is law. This we usually accept at home, in our own countries. It is the duty of political leaders to tell us that this is the only way to build a civilized planet. Ignoring the World Court and 200 years of evolving international law is the way of small town politicos, not national statesmen.

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# The Norms Of Persons Don't Apply

**By Flora Lewis**

PARIS — Especially at this holiday season come again the questions of what to believe about others. Is Mikhail Gorbachev sincere? Can the Russians ever really be trusted?

There is no satisfying answer because these are the wrong questions to put on issues of foreign policy. It is not a matter of choosing a friend or a business partner and ignoring less agreeable people. The norms of personal relations don't apply to international affairs, neither in terms of affection nor of revulsion.

It can be safely assumed that Mr. Gorbachev is sincere in representing what he judges to be the Soviet interest. We can indeed trust the Russians to do what they can to look after themselves, their needs and aspirations. And they would be right to hold the same suppositions about President Reagan and Americans. Both sides have made stupid mistakes and costly miscalculations at times, but not for lack of national concern.

That is the real point. The Soviet Union exists, will not go away and cannot be ignored. Therefore America must deal with it. The appropriate question is: On what terms?

The issue of sincerity is irrelevant. There is a mirror image of fear, distrust, suspicion on both sides, and the nature of the world's present circumstances will not dissipate it, although perhaps it can be eased a little. Americans are convinced that the United States arms itself only for defense and never uses force except on provocation and with high moral justification. The Soviets think the opposite.

These are perceptions. They cannot be proven. Argument will not transform them; invoking good will cannot remove them. There are some fundamental U.S. and Soviet interests in conflict, and so long as that is true the two will be adversaries.

But there are also some fundamental U.S. and Soviet interests which converge. Managing the two countries' relations means finding ways to identify them, and then devising agreements that can work to contain the conflict and reduce the tension.

The most obvious common interest is the prevention of war, especially nuclear war but also conventional war with its high risk of escalation. Another is to prevent fights among third countries and upheavals within them from luring superpowers into direct confrontation. This is more difficult and riskier because the line to be drawn is less clear and each side's view of its own interests and obligations is less sharply defined.

As John Stremlau of the Rockefeller Foundation has put it, "In contrast to the rest of the world, both we and the Soviets have the luxury of having to worry about the behavior of only one superpower." His insight makes the point not only that others worry about both while each superpower trusts only itself, but also that it is the behavior and not the secret intentions of the other side that must preoccupy the United States.

In the long term, all international agreements depend for their fulfillment on a sense that they serve mutual interests. No state will indefinitely abide by an obligation that it sees as unilaterally disadvantageous if it can get out of it by hook or by crook.

So the test of agreements and rules of behavior has to be whether both sides are served, even if both sides have to make concessions, and whether the compacts are observed. That is why verification is all important, and why the terms of accord must make them possible to be reliably verified. Trust can only be a matter of each side trusting its own ability to read the other's actions.

That is also why ambiguity, a favorite tactic of some diplomats to skirt pesky obstacles, is more of a trap than a boon in U.S.-Soviet relations. It is very hard to make texts truly precise. The meaning of roughly equivalent words differs in the two languages. But accepting contradictory interpretations undermines the chances that agreements can endure.

This was at the heart of the breakdown of détente. Henry Kissinger thought he had tacit Soviet agreement to some rules of the road; he thought that the 1972 pledge not to seek "unilateral advantage" over each other meant that the Soviets would stay on their side. For him, it collapsed in Angola, although that was a civil war in which the United States had staked out no better claim to primary influence than Moscow had. The last straw was Afghanistan, an invasion attempting to end another civil war in Moscow's favor.

Neither trust nor mistrust can fix U.S.-Soviet relations. Good agreements can be reached so long as they are mutual, lucid, and verifiable.

*The New York Times.*

# For Sanity's Sake, Tax Oil

America, running a $200 billion deficit for the fourth consecutive year, desperately needs to reorder its finances. Congress knows that and so does the president: They've just committed themselves by law to cut the deficit $55 billion next year and eliminate it entirely by 1991. Now the opportunity to take a long stride toward that goal is enhanced by the collapse of the Organization of Petroleum Exporting Countries, the oil cartel. The way to do it is to tax imported oil.

Doing so in this time of declining prices would raise huge sums for the Treasury without triggering inflation or causing hardship. Hardly anyone would feel the pinch. Gasoline and heating oil prices now reflect an average cost of about $28 a barrel of crude.

If the collapse of OPEC cuts the price to $20, as is now anticipated, an $8 fee on each imported barrel would have the effect of paying the United States what it has been paying to foreign oil producers. The treasury would be enriched by $30 billion — $15 billion directly from the import tax and another $15 billion in income and windfall taxes on domestic oil.

An import fee offers additional benefits. Most taxes, even if necessary for revenue, are wasteful because they drive a wedge between real costs and prices, discouraging effort and reducing demand. But an oil import fee would actually improve efficiency, forcing consumers to absorb the hidden costs of dependence on unstable foreign supplies.

Those hidden costs can be enormous. The first oil shock in 1973-74 sent the world into a recession that reduced output by a trillion dollars. Another shock might be easier to absorb but it would still be costly. At the least, oil consumers should pay the true cost of the product, which includes the billions spent on military preparations to defend foreign oil fields and shipping lanes.

A further benefit is that consumers alone would not pay the entire $8 import fee; a portion would be paid by foreign oil producers. The higher the price, the lower the demand for oil and gasoline. And the lower the demand, the lower the world price for crude. Some of the income of foreign oil exporters would thus be transferred to importers; Senator Gary Hart, a Democrat of Colorado, estimates that about one-third of an import fee would, in effect, be rebated to consumers.

Irresponsibly, Americans have refused through all the wrenching years of high oil prices to use an oil tax to retain some revenue for themselves. Politicians fear the public would revile any plan to tax oil at home rather than enrich Arabs abroad. But in a time of falling prices, there's every reason to believe that oil-producing states like Texas would support an import fee. The fee, after all, would increase demand for domestic oil, which in turn would create jobs and revenues.

Yes, President Reagan so opposes any new taxes that he would veto even this sensible one. But, as will soon be clear, federal spending cuts alone will not suffice to reduce the deficit on the schedule required by law. Even Mr. Reagan may prefer some taxes to gutting his military buildup. And he would not be wrong in contending that an oil import fee is less a tax than a charge on the use of a public resource.

The president favors user charges in other fields. Why, then, reject charges on oil imports that create military obligations and threaten the security of the United States?

*— THE NEW YORK TIMES.*

# Life at the Top: Trust Must Outweigh Fear of Spies

**By Philip Geyelin**


WASHINGTON — In the privacy of his taped-recorded office, Richard Nixon called George Shultz a "candy ass" when, as secretary of the treasury, Mr. Shultz refused to give Mr. Nixon's men access to the tax returns of the former president's "enemies." Considering the source and the circumstances, that's the next best thing to a Medal of Freedom.

Now, Mr. Shultz as secretary of state has once again taken a stand on principle and his president's men are once again doing him the same sort of backhanded honors. They are bushwhacking Mr. Shultz with anonymous slurs on his loyalty and fitness for office: Mr. Shultz refused to submit to Mr. Reagan's efforts to unmask spies by administering polygraph (lie detector) tests to the people he has entrusted with the highest offices in his command.

Do not be put off the point of principle by the president's second thoughts and lame retreat: his scaling back of the original directive; his slap-happy suggestion that he would exclude himself as well as Mr. Shultz, if the secretary is all that squeamish. The original impulse is what's interesting. An administration's character is better judged by its initial inclinations in the dark of night than by its knuckling under to public pressure in the light of day.

The point of principle has to do with old-fashioned values like honor, dignity and integrity. And the implications run far beyond the potential of ruining reputations and careers by putting them at the risk of a notoriously unreliable piece of machinery. The implications go to the mind-set of the president and of those who pressed the polygraph upon him as an instrument of government.

What the president would have if he could is a sweeping expansion of a practice earlier administrations routinely employed for strictly limited purposes, to control the security of a narrow range of sensitive intelligence operations. Those who have enlisted in that business surrendered more than a few of the rights of expression and freedom enjoyed by other government workers.

Even the president's efforts to meet most of Mr. Shultz's objections (polygraph examinations will now be confined to use "in conjunction with other investigations and security procedures in espionage cases") are scarcely reassuring unless you know what is meant by "espionage." The espionage laws, dating back to 1917, are loose enough to have allowed the Nixon administration to use them to win an indictment against Daniel Ellsburg for purloining and distributing the Pentagon Papers in 1971.

The Reagan administration apparently reads them the same way, having successfully prosecuted Samuel Morison, a Naval Intelligence analyst, for espionage in a case involving the leak of classified photos of Soviet aircraft carriers to a British publication in 1984.

We are talking, then, about plugging leaks, not necessarily by master spies, and not necessarily to enemy agents. The Reagan administration, that is to say, is in the same "plumbing" business as was the Nixon administration, if not on the same scale or by the same criminal means. But it is acting out of the same overwrought sense of insecurity. Mr. Reagan was apparently egged on by his director of central intelligence, William Casey, and Defense Secretary Caspar Weinberger, who both seem to believe that polygraph tests are so good for their own employees that they should be good for everybody.

The administration has good reason to be alarmed by the recent spate of espionage cases. Clearly they call for a tightening of security. But in almost every instance, conventional techniques and standard practice have been revealed to be astonishingly lax. And in at least one case, involving a Chinese agent who apparently worked from within the CIA for 30 years and was undetected by polygraph testing, the technical argument for the widespread use of lie detectors has been called into question.

But the case for their use on the scale that the president apparently had in mind collapsed completely under the weight of Mr. Shultz's principled arguments. I would ask you to let your imagination run. Picture some past American policy-making figures — Henry Stimpson, George Marshall, Dean Acheson, Dean Rusk, Henry Kissinger or Clark Clifford — strapped into a polygraph, with wires or other devices measuring their pulse, their respiration and the sweatiness of their palms. Is that the image you cherish of those who guide your destinies at the highest level?

We know what we would think if that were the stated policy of the Soviet Union. What would we think of the British government of Margaret Thatcher or that of President François Mitterrand of France, as reliable allies, if they started wiring their cabinet ministers to lie detectors to see if they were behaving treacherously? And what, accordingly, would they be supposed to think of a leader of the free world who did so?

We should be cheered that there is at least one voice in the Reagan administration to remind us who we are and what we stand for.

*Washington Post Writers Group.*

# Other Opinion

## The Ban on Satellite Killers

President Reagan said after his Geneva meeting with Mikhail S. Gorbachev, the Soviet leader, that the summit should be judged not by today's words but by tomorrow's deeds. The vote by Congress to stop further testing of satellite-killing weapons until and unless the Soviet Union resumes tests of its own was a deed that takes Mr. Reagan at his word.

Satellite killers are the ideal pieces of hardware for experimenting with a concept of arms control by mutual restraint. It is an idea that attracts many defense analysts.

The weapons, known as ASATs, are ideal, first, because nobody needs them. If being able to shoot out an enemy's satellite had any value in a crisis, it would be very slight, far outweighed by the dangers of panicking one side into firing in all directions if some satellites were destroyed by accident.

Stopping tests while the only such weapons in existence are an American system only slightly less crude than a similar Soviet system makes sense. The real danger with ASATs is not what they can do now to low-flying satellites but what they might do to far more important communication satellites.

Banning ASAT testing also will help keep research on "star wars" honest. Some "star wars" tests eventually will violate the 1972 ABM treaty that prohibits widespread ballistic missile defenses. But some of those tests will look much like ASAT tests, and, because satellite killers are not covered by the treaty, the "star wars" tests could be explained away as permissible. If neither power is testing ASAT systems, neither can disguise space defense tests as satellite killer tests.

If the only way to continue space tests would be an open break with the ABM treaty, then the logic of negotiating might finally dawn on the White House. The choice would be between continuing a "star wars" program that may never work and breaking a functioning ABM treaty that gives Americans more protection than the Russians.

*— Los Angeles Times.*

# The Anglo-Irish Accord Will Fail Without U.S. Aid

**By Kevin M. Cahill**

NEW YORK — The time has come for the United States to contribute to peace and stability in Northern Ireland as it has done so generously and often elsewhere.

The Anglo-Irish accord, signed last month, is a historic document. It is, however, short on specifics, and without America's help it may well remain, to paraphrase W.B. Yeats, words, nothing but words.

The accord does not purport to settle the conflict: It would give Dublin a symbolic, advisory role in the affairs of Northern Ireland, but it guarantees nothing and offers no detailed program to end the island's civil strife. It promises no new funds or grants and confers no real power on either the Irish Republic or the beleaguered Roman Catholic minority in the north. Nor does it include any plans to reconstruct the bombed cities of Derry and Belfast.

It does, however, represent a political device through which peace and security may be achieved. The accord's purposefully vague declarations of cooperation are all that could be agreed upon now, but it recognizes, for the first time, that Dublin has a legitimate right to speak for the Catholic population in the north. This is an important, unprecedented gesture on England's part.

But if these dreams of peace are to become reality, more than fine words and gracious gestures will be necessary. Only steady jobs, decent housing and equal access to higher education — without which there is neither dignity nor personal freedom — will break the barriers of suspicion and paranoia in Northern Ireland. The success of the accord will depend ultimately on concrete changes, paid for with material aid. It is here that America can play an essential role.

It is an unflattering fact that America's major role in many international agreements is to cushion the compromises required by sharing U.S. wealth. The Camp David accords, for example, were held together by vast financial aid to both Israel and Egypt. In the same way, the United States ought to be willing to be the silent partner who makes a solution possible in Ireland.

*Ireland receives almost no aid from the U.S. government in spite of strong U.S.-Irish ties.*

There are many precedents for American aid in stabilizing troubled areas. The United States has poured hundreds of millions of dollars into Central America so that democracy might survive terrorism and oppression. Why not do the same in Ireland? It has spent hundreds of millions in Cyprus and Turkey to reconstruct towns destroyed by civil war. Why not in Derry? It has spent more hundreds of millions to build a subway system and upgrade transportation in Cairo. Why not in Belfast?

The contrast with Israel is the most striking. America allocates $3.73 billion a year to Israel, most of it in grants. The usual arguments offered to justify this largesse focus on the strategic significance of Israel and on America's 37-year moral commitment to its survival. But Irish and U.S. ties date back at least three centuries. There are more than 40 million American Irish. It is not in the best interest of America to allow terrorism to flourish in its nearest European neighbor. Yet Ireland receives virtually no U.S. government aid.

U.S. legislation permits the transfer of $750 million a year to Israel in tax-exempt charitable contributions and bonds. Other laws permit almost 95 percent of Israel's exports to enter America duty-free. But the American Irish have virtually no way to give tax-free assistance to their homeland. Nor is there any comparable aid to promote Irish exports.

Tax credits and investment guarantees for private American corporations willing to establish facilities in Northern Ireland could be supplemented by the United States. If this has been the policy of America elsewhere, why not in Northern Ireland?

More than a century ago, Charles Stewart Parnell, one of the heroes of Ireland's struggle for freedom, appealed to the American Congress: "You can now obtain for Ireland, without the shedding of one drop of blood, without drawing the sword, without one threatening message, the solution of this great question." His words need no amending today. The Anglo-Irish accord will not work without America's help.

*The writer is president-general of the American-Irish Historical Society. He contributed this comment to The New York Times.*

## FROM OUR DEC. 26 PAGES, 75 AND 50 YEARS AGO

### 1910: Merry Minstrels Wake Taft

NEW YORK — President Taft was rudely awakened from sleep last night [Dec. 24] by old-time minstrels, who sang a long selection of Christmas carols, terminating with "Hail, Smiling Morn!" immediately beneath his bedroom window at the White House. The President finally arose, donned a gorgeous blue bath-robe, opened the window and exclaimed: "Thanks very much. God bless you, merry gentlemen!" Not until then did the minstrels depart. Meanwhile, Mme. Luisa Tetrazzini fulfilled her promise to sing in a San Francisco street on Christmas Eve. One hundred thousand persons, largely poor Italians, assembled to hear and applaud the diva, who sang from the Lotta Fountain, in the Italian quarter. It was a perfectly warm and beautiful evening.

### 1935: Christmas in a Country at War

ROME — Christmas wasn't merry in Rome this year. The sad gravity which weighs over this country at war was more visible than any time before. The streets were not animated and there was no hearty celebrating until the early hours of dawn. Restaurants and clubs have to close early now to save light. It was visible that the Italian population could not forget the dark clouds hanging over the country. Some 250,000 Italian boys are spending Christmas thousands of miles away in the tropical climate of the Ogaden desert or in the barren hills of the Tigrè. It had been hoped that peace negotiations could bring some happy results for Christmas. Now that all hopes have been shattered, everyone understands that the war in Ethiopia will be difficult and long.

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# LETTERS TO THE EDITOR

## Peace or Destruction?

The keyword in international politics seems to be peace nowadays. Look at all those peace initiatives. The game is to point the finger at the other as the aggressor. The world today abounds in aggression, small and big scale. That makes it easier for the big aggressor to dissimulate his actions. The effort to demask one another as the culprit could escalate into a "declaration of peace." Just think of the efforts made by Messrs. Reagan and Gorbachev although the arms race continues.

In the Bible, a peace initiative is foreseen in Thessalonians I, 5:3. This points out that we have reached a vital point in the history of mankind and goes like this: "For when they shall say, Peace and safety; then sudden destruction will cometh upon them, as travail upon a woman with child; and they shall not escape."

HENDRIK C. BLOK.
Schindellegi, Switzerland.

## SDI: Time for Democracy

Having read your series of articles on the Strategic Defense Initiative *(Dec. 18-20)*, I am left with one overriding conviction: The people of the United States must decide this issue for themselves. A national referendum should be called to determine whether "star wars" should proceed after a reasonable period of initial research has been completed.

The reason for this seems simple. It seems that none of the elected or appointed parties involved are exempt from their own, narrow interests. This applies to Congress as well as the administration and scientific community. The ultimate cost of SDI is too great to allow for normal representative decision-making. The stakes include the question of further escalation of the arms race and the eventual appropriation of such vast amounts of public resources as to materially and directly affect virtually every U.S. citizen.

With the administration acting as the public relations branch of the SDI program; with Congress nodding approval; with state scientists and independent academics locked in a battle of personal and professional prestige and with defense industries poised as the prime beneficiaries, Americans have little hope of making an informed decision.

I propose that an independent citizens' commission be appointed to represent a broad spectrum of respected public opinion. Such a commission should be given access to all areas of research and would report directly to U.S. citizens throughout an agreed-upon period of basic research. Before any final engineering or construction phase of SDI is funded, there should be open debate based on a dissemination of information by all sides. This would be followed by a referendum. It is time to let democracy decide.

JOEL T. MISKIN.
New York.

# SCIENCE

## Calcium's Role as Dietary Mainstay — and Source of Dispute

By Jane E. Brody
*New York Times Service*

CALCIUM, already drawing a great deal of attention for its critical role in preventing the degenerative bone disease osteoporosis, is fast expanding its reputation as an essential part of the diet. At the same time, however, some health experts worry that the value of the nutrient is being overstated and that calcium supplements are being oversold.

Long known as the foundation of strong bones and teeth, calcium is emerging in scientific research as possibly protective against high blood pressure and cancer of the colon as well. The typical middle-aged American consumes about one-half to two-thirds the recommended 800-milligram daily allowance for calcium, a level many physicians believe is too low.

In a study in The Annals of Internal Medicine, Dr. David A. McCarron and Dr. Cynthia D. Morris of Oregon Health Sciences University in Portland reported that 21 of 48 persons with mild to moderate hypertension achieved a significant reduction in blood pressure when given a 1,000-milligram calcium supplement daily for eight weeks.

Last July, researchers at the University of Wisconsin in Madison reported in The American Journal of Clinical Nutrition that women with hypertension who took 1,500 milligrams of calcium a day (in addition to medication) for four years had a significant drop in blood pressure, whereas those without the supplement experienced an overall rise in blood pressure.

Calcium supplements have also been shown to lower blood pressure in pregnant women and to reduce the risk of eclampsia, a serious disorder of late pregnancy. And, according to Dr. McCarron, diet-health studies among a random sample of more than 20,000 Americans indicated that those with hypertension consumed significantly less calcium than those with normal blood pressures.

In most people, however, calcium supplements seem to have no effect on blood pressure. Rather, about a third of those with hypertension are considered likely to be helped by calcium.

As a cancer weapon, calcium supplements were described last month in The New England Journal of Medicine as capable of "quieting" the cancer-prone cells in the colons of people who face a high risk of developing colon cancer. When such people were given daily supplements of 1,250 milligrams of calcium (in addition to the approximately 700 milligrams they consumed in their diets) for several months, hyperactive cells in the colon reverted to look more like quiescent normal cells, according the Dr. Martin Lipkin and Harold Newmark of Memorial Sloan-Kettering Cancer Center in New York.

Just how calcium performs such roles, if in fact it does, is still very much a matter of speculation. With regard to colon cancer, one possible explanation is that calcium binds up bile acids and fatty acids that can irritate the colon. Considerably more research is needed before added calcium — either through the diet or supplements — can be generally recommended as a preventive or treatment for high blood pressure or colon cancer.

Indeed, it is still not certain that calcium supplements alone can be relied upon to stem the unrelenting loss of bone that seriously afflicts 15 million to 20 million older Americans, causing 1.3 million fractures that cost the United States $3.8 billion in medical care each year.

SOME experts are frankly disturbed by what they describe as the "oversell" of calcium supplements and the alarm generated by misleading advertisements, although they concede that no harm is known to result from taking up to 2,000 milligrams of calcium a day.

Dr. Bruce Ettinger, an endocrinologist at the Kaiser Hospital in San Francisco who has been studying the prevention and treatment of osteoporosis for 10 years, believes that "calcium is vastly overrated as to its ability to prevent osteoporosis beyond the early years of life." He cited studies in New York, France and Sweden that showed no difference in bone density among women of various ages who did or did not take in lots of calcium through their diets or supplements. In addition, studies in Denmark and at the Kaiser Hospital and the University of California at San Francisco showed no prevention of bone loss despite generous calcium supplementation in postmenopausal women.

"Up to age 35 or so, high calcium intake may allow the development of a stronger skeleton, which would reduce the risk of osteoporosis when bone loss inevitably occurs later in life, but the findings are equivocal about the benefits of calcium later in life," Dr. Ettinger said.

Others disagree. Dr. Robert Heaney, endocrinologist at Creighton University in Omaha, Nebraska, who has studied calcium requirements for three decades, points to recent studies of hunter-gatherer tribes that show a daily calcium intake of more than 1,500 milligrams (mainly from vegetables), or three times what the typical American woman now consumes. Although dietary fiber can inhibit calcium absorption, the studies of hunter-gatherers and others have indicated that "when calcium intake is high, people can tolerate a lot of fiber," Dr. Heaney said.

Two long-held notions about the influence of diet on calcium levels — that high intakes of protein and phosphorus lead to a loss of calcium — have been refuted by recent findings. Dr. Heaney said that although in animals a high phosphorus intake depleted calcium in bones, in humans this effect did not occur even if phosphorus intake was very high. And Dr. Herta Spencer, a calcium specialist at the Veterans Administration Hospital in Hines, Illinois, said her studies showed no increased calcium loss associated with a diet high in meat and other protein foods.

Still, Dr. Heaney insists: "No one knows what percentage of osteoporosis is nutrition-related. We must avoid claiming that consuming more calcium would solve all our problems with osteoporosis." Other important influences include physical activity, but here too there is disagreement as to what type.

While Dr. Heaney said he believed that "the rate of strain on the bone, rather than size of the load, is important," which would confer an advantage to runners and jumpers over weight-lifters, Dr. Ettinger said that muscle development through weight-lifting was more likely than running or walking to stimulate an increase in bone strength. Dr. Heaney pointed out, however, that vigorous exercise of all types triggered the release of growth hormone, which in turn stimulated bone formation in people of all ages.

Furthermore, there is increasing evidence that deficiency of the activated form of vitamin D, not calcium per se, is ultimately responsible for much osteoporosis. As people age, not only do they obtain less vitamin D from their diets and from exposure to sunlight, but their bodies become less able to convert the vitamin to its active form, a hormone known as calcitriol. Without enough calcitriol, calcium absorption through the intestinal tract is greatly reduced, especially if the amount of calcium consumed is low to begin with.

Definitive studies of calcitriol's effectiveness in countering osteoporosis are nearing completion at five medical centers and, if the results confirm preliminary findings, the Food and Drug Administration is expected to approve the hormone therapy possibly within a year. The hormone would obviate the need for large doses of calcium and may even supplant estrogen therapy to prevent bone loss in postmenopausal women.

For all the publicity given to calcium's contribution to bones, skeletal strength is hardly this mineral's most vital role. Although 99 percent of the body's calcium is found in bones and teeth, it is the 1 percent in solution that keeps people alive. Calcium must be present in blood serum and other body fluids at all times to maintain or facilitate a normal heart beat, nerve conduction, muscle contraction, enzyme reactions, hormone secretions, cellular adhesion and blood coagulation. When blood levels of calcium fall too low, fatal convulsive tetany can result.

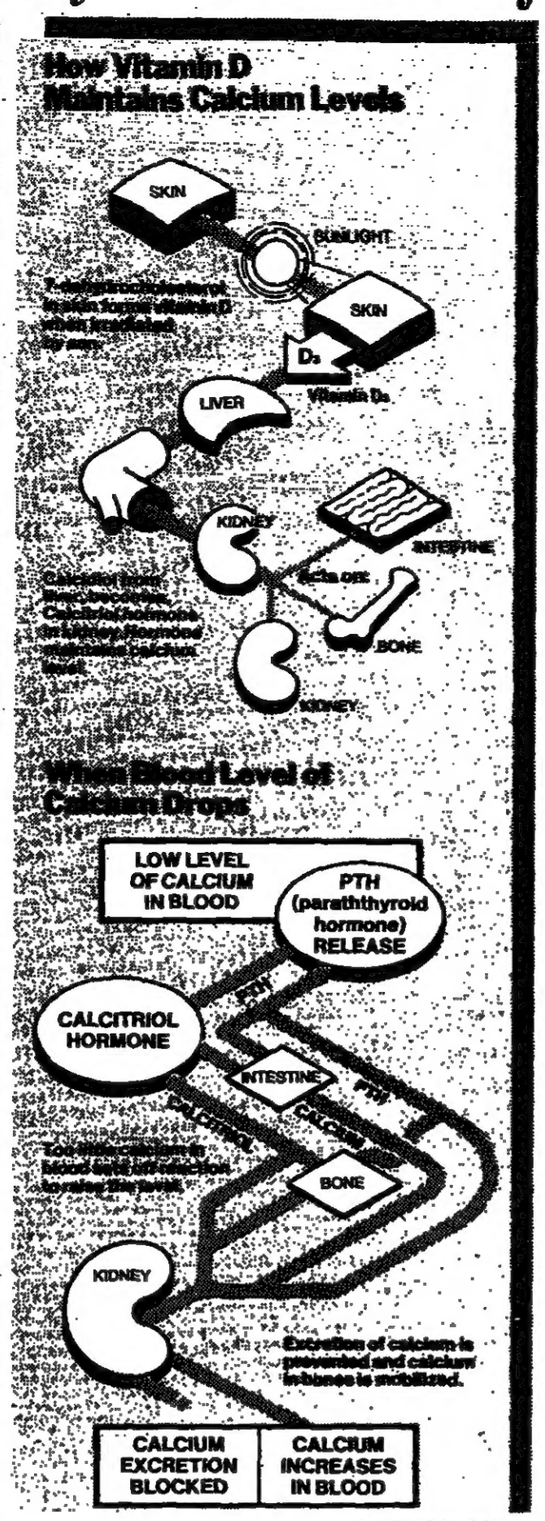
If inadequate amounts of calcium reach the blood from dietary sources, calcium is removed from the bones to make up the difference. The skeleton can be viewed primarily as a storehouse for calcium, releasing the mineral whenever it is needed for its other life-sustaining functions. Such a storehouse became essential when land animals evolved, leaving behind a perpetual bath of calcium-containing seawater. The normal level of calcium in the blood is the same as that found in seawater, and an elaborate biochemical mechanism has evolved to maintain that blood level.

DR. Hector DeLuca, a University of Wisconsin biochemist who has done much to unravel this mechanism, and especially the role played by vitamin D, says that calcitriol, a compound manufactured in the body from cholesterol, is "perhaps the most potent steroid hormone known." It is prompted into action by parathyroid hormone, which is secreted when blood levels of calcium drop below normal.

A substance called vitamin D-3 is formed in the skin when the skin is exposed to ultraviolet light. This same vitamin is found in some foods, primarily fish liver oils and fortified milk products. Vitamin D-3 is inactive unless further processed. The liver transforms D-3 into calcidiol, the main version of vitamin D found circulating in the blood. When more calcium is needed in the blood, parathyroid hormone is released. It stimulates the kidneys to convert calcidiol into calcitriol, or activated vitamin D.

Calcitriol, in turn, acts on three major tissues: It enhances calcium absorption through the intestinal wall, it facilitates removal of calcium from bones and it causes the kidneys to reabsorb more of the 7,000 to 10,000 milligrams of calcium that each day spill into the urine. The net effect is to raise blood levels of calcium to normal, which completes the cycle by turning off parathyroid hormone.

If the amount of calcium available through the intestine (that is, through dietary sources) is not adequate to keep blood levels up, the bones, which serve as a calcium bank, make up for the shortage. When calcium withdrawals are chronic, as they would be in people who perpetually absorb too little dietary calcium, the bones gradually weaken.



Steven Hart/The New York Times

### Cat Gets Heart Pacemaker

*The Associated Press*

ITHACA, New York — Doctors at Cornell University, in a relatively rare operation, have implanted a heart pacemaker in an 11-year-old Siamese cat.

## IN BRIEF

### £1 Million for New Natterjack Habitat

LONDON (AP) — British Nuclear Fuels says it will spend about £1 million ($1.42 million) to create new breeding grounds for about 500 rare Natterjack toads that live in the path of a planned railroad on the site of the company's complex at Sellafield in the northwest English county of Cumbria.

The company said it would dig new ponds, divert a stream and landscape an area with the toads' favorite soil and plants.

### Immune System Affected by Sunlight

EDINBURGH (Reuter) — Sunshine can temporarily lower the body's defenses against disease and unleash latent viruses, according to researchers at Edinburgh University. They said some people were at risk from even brief exposure to sunlight, not enough to cause a sunburn.

A team led by Dr. Mary Norval reported after two years of research that the immune system appeared to be suppressed three to ten days after exposure to the sun. The subjects were vulnerable to new infections and, if they had latent viruses, to eruption of the viruses' symptoms.

Two viruses in particular appeared to be unleashed, Dr. Norval said — herpes simplex, which produces cold sores, and papilloma, which produces warts. The project was the first major study combining research into these two viruses and the effects of ultraviolet light.

### Heart Disorder Called Unpreventable

EVANSTON, Illinois (WP) — The most common congenital heart disorder, ventricular septal defect, cannot be prevented, aside from good standard prenatal care to avoid premature birth, a new study concludes.

Dr. Thomas B. Newman of the University of California at San Francisco said in an announcement about the study: "Beyond the two definitely known causes of VSD, which are premature birth of the baby and a family history of congenital heart disease, we can find no other risk factors. The incidence of VSD seems to be the same everywhere."

The disorder, in which there is a hole between the two ventricles of the heart, must be corrected with surgery. It occurs in about 3 of every 1,000 births. Dr. Newman reported his findings in the journal Pediatrics.

### Early Trauma, Agoraphobia Linked

WASHINGTON (WP) — Major childhood traumas, such as separation from a parent, appear to be one factor that leads to agoraphobia, the fear of open spaces or fear of leaving the house, Italian and British scientists report in the American Journal of Psychiatry.

Comparing two similar groups of 31 adults, the team found that agoraphobics had almost three times as many "major traumatic life events," usually between ages 4 and 15. These included death of a parent or other relative living at home; separation from a parent for at least six months; and divorce or separation of parents.

### Cholesterol-Binding Protein Made

SAN FRANCISCO (UPI) — American and Israeli scientists using genetic engineering say they can manufacture the protein apo-E, which removes cholesterol from the blood, in sufficient quantities to study how the substance works.

Dr. Robert W. Mahley of the University of California in San Francisco said: "Apo-E is very important in cholesterol transport, and yet it is difficult to study because it is found in such small quantities in the plasma of normal humans or animals. We need large concentrations of apo-E to work with to see how it affects cholesterol metabolism."

With larger quantities of apo-E, Dr. Mahley said, scientists can change the structure of the protein's molecule and might someday create an apo-E molecule that would bind cholesterol to its receptors more effectively than the natural form does. Dr. Mahley was reporting in the Proceedings of the National Academy of Sciences on work done with Tikva Vogel and Marian Gorecki in Israel.

### Cheaper Hepatitis-B Shots Are Tried

CHICAGO (UPI) — Innoculation with hepatitis-B vaccine, whose cost precludes its use in much of the world, can be effective in as little as one tenth the usual dose, according to doctors at Walter Reed Army Institute in Washington.

Dr. Robert Redfield and colleagues reported in the Journal of the American Medical Association that the weaker vaccine was administered in a shallow injection under the skin rather than deep in the muscle. Only one of 25 subjects failed to respond to the dosage, Dr. Redfield said.

The vaccine has been available since 1982 at a cost of $160 to $150 a treatment. Hepatitis B is a scourge throughout the Third World and is considered the leading cause of cancer in young men in many parts of southeast Asia.

## Pope, in Annual Christmas Message, Calls for a Just, Sober, Godly Society

*Reuters*

VATICAN CITY — Pope John Paul II, in his traditional Christmas message, urged Roman Catholics to build a society based on sobriety, justice and godliness.

The pope, giving his traditional *Urbi et Orbi* (To the City and the World) message from the balcony of St. Peter's Basilica, said Wednesday that a "mass of suffering" weighed on humanity but that Christ's birth symbolized the first step to creation of a new people.

This people will know "how to be sober with regard to the resources of the universe and wise in the use of the energies of its own mind for it knows how to resist the false mirage of a progress that is indifferent to moral values," he said.

Society also should be founded on justice, he said, urging "a people ever aiming at the goal of a more authentic community of persons, in which every individual will feel accepted, respected and esteemed."

The pope, whose address was televised live to more than 40 countries, wished Christians "Merry Christmas" in 51 languages. A crowd of 50,000 in St. Peter's Square was present for the speech.

Pope John Paul, celebrating his eighth Christmas as head of the church, said society should also open itself to God "from whom it expects the constant support needed for traveling forward along the road of true progress, toward the goal of the meeting with Christ."

### ■ Faithful Gather in Bethlehem

*Earlier, Dan Fisher of the Los Angeles Times reported from Bethlehem:*

Pilgrims greeted Christmas in the city of Christ's birth as Israeli and Palestinian officials expressed hopes that 1986 will bring true peace to the Holy Land.

Visitors crowded into the Greek Orthodox Church of the Nativity, built over the cave said to have been the birthplace of Christ, and the adjacent Roman Catholic Church of St. Catherine for a midnight mass.

But the crowd in Bethlehem's Manger Square, where tourists could view the mass on a large outdoor television screen beneath clear but cold skies, was smaller than last year.

Israeli tourism officials said about 15,000 pilgrims arrived in the country for the Christmas season, down about 25 percent from last year. They attributed the drop on hijackings earlier this year of TWA and EgyptAir airliners and the Achille Lauro cruise ship.

Bethlehem's Palestinian mayor, Elias Freij, later held his city's annual Christmas Eve cocktail party, which was attended by Prime Minister Shimon Peres.

"Let us all pray that in 1986 there will be peace in the Holy Land, where the Arabs and the Israelis can live in peace, in security, as good neighbors, as free neighbors and equal neighbors, as neighbors who will work hand in hand to improve the quality of life for all the people in the Holy Land," Mr. Freij said in welcoming remarks.

In response, Mr. Peres said, "There is an air of peace blowing in our region; let us learn to breathe it properly."

Mr. Peres said that since last Christmas, when he became the first Israeli head of government to visit Bethlehem for the holiday celebration, there has been important progress toward peace.

"Since we met here a year ago, there is one war less — the troubling war in Lebanon," the prime minister said. "And there is one chance more — the completion of an agreement with Egypt. And there is a suggested bridge across the Jordan River — to open negotiations to solve the conflict both with the Jordanian Kingdom and the Palestinian people."

### ■ Hess's Release Urged

The president of West Germany, Richard von Weizsäcker, urged the Soviet Union Tuesday to release Rudolf Hess, former deputy to Adolf Hitler, the Associated Press reported from Bonn.

In his Christmas message, Mr. Weizsäcker also called on South Africa to free the black activist Nelson Mandela, head of the outlawed African National Congress who has been jailed since 1964.

Hess, 91, the last surviving member of Hitler's inner circle, is serving a life sentence in West Berlin's Spandau Prison, where he is the only remaining inmate.

The Western victors of World War II — the United States, Britain and France — have expressed willingness to free Hess for humanitarian reasons, but the fourth Allied power, the Soviet Union, has blocked his release.

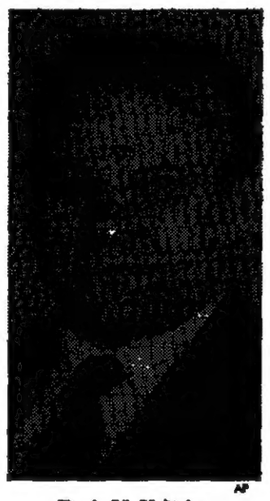
The West German president urged the Russians to "give relief to the very sick" physicist Andrei D. Sakharov, the Nobel laureate who has been exiled to the city of Gorky for his dissident activity.

Mr. Weizsäcker acknowledged that Hess was "truly no champion of human rights or freedom."

"But Hess has been serving a sentence 44 years now," he said, taking into account Hess's wartime internment in Britain.

In London, meanwhile, Queen Elizabeth II said tragic events in 1985, including plane crashes, earthquakes, famine, volcano eruptions and acts of terrorism, should not obscure the "bravery and self-sacrifice" of people who help mankind every day.

Christmas, she said, "is a time to look at the good things of life and to remember that there are a great many people trying to make the world a better place, even though their efforts may go unrecognized."


AP

Boris N. Yeltsin

## Official Loses Moscow Post

(Continued from Page 1)

Moscow party committee that led up to the removal of Mr. Grishin became a quintessential Kremlin drama, best followed by reading between the lines of newspaper reports.

The political survival of Mr. Grishin, in the absence of concrete information, was measured by diplomats in terms of newspaper articles ostensibly about tomatoes, eggplants, plumbing and concrete.

The developments began in July when Sovietskaya Rossiya, a party newspaper that has championed an anti-corruption campaign, criticized the pace and quality of housing construction in Moscow.

Mayor Vladimir F. Promyslov was singled out, but Mr. Grishin seemed to be the primary target, even though he was not named. Soviet officials and Western diplomats said they also expected Mr. Promyslov to be replaced.

## Spain Promotes Peace Initiative in Nicaragua

(Continued from Page 1)

to lift the state of emergency, declare a general amnesty and produce a calendar for new elections," Mr. Godoy said. "They didn't like this at all of course, but they didn't reject anything."

Mr. Ramírez said the two sessions held thus far would be best described as "an exchange of ideas and delineation of common interests." He said the Sandinists should lift at least those portions of the state of emergency that limit personal freedoms before seeking cooperation from opposition parties.

"They have asked that the parties make certain statements regarding American aggression," Mr. Ramírez said. "But we view internal reconciliation as the key to the peace process. To a certain degree, we are at a standstill, but I presume the Spanish ambassador wants to push things along."

Mr. Cuervo said in a brief interview that the Spanish initiative was not intended to counter U.S. policy in Nicaragua.

"We are acting as loyal allies," he said, "because we honestly believe that a final confrontation and bloodbath, which seems more and more likely in this country, will harm everyone's interests, including those of the United States."

### ■ U.S. Military Aid Opposed

The Reagan administration's efforts to sound out Congress about the prospects for restoring military aid to Nicaraguan rebels have drawn negative responses over the last several weeks, The New York Times reported some key legislators as saying in Washington.

"My perception is that at this stage it would be very difficult for them to get military assistance," Representative Dave McCurdy, Democrat of Oklahoma, said Monday.

Mr. McCurdy, who played a leading role in fashioning the $27-million nonmilitary aid package approved last July, added, "I think there could be a continuance of humanitarian aid."

Dave Durenberger, Republican of Minnesota, chairman of the Senate Select Committee on Intelligence, said in an interview last week that he was not ruling out military aid but thought it was "premature for the administration to think of escalating or changing the compact."

Spending authority for the $27 million runs out on March 31, and the administration has said it will formally bring up the issue in Congress in the first months of 1986.

Mr. Durenberger ruled out a return to a CIA-directed program which Congress has opposed for two years, repeating previous assertions that as long as he remains chairman of the intelligence committee "they just aren't going to get away with using the CIA."

## Government, Foes Call 10-Day Truce In El Salvador

*United Press International*

SAN SALVADOR — The Salvadoran government, in a surprise move, has agreed to a 10-day holiday cease-fire previously approved by leftist rebels. The truce was the longest ever called in six years of civil war.

"On the basis of Christmas spirit and the request of the Salvadoran Catholic Church, the government of the republic decided to suspend offensive actions of the armed forces during the Christmas period," said a statement from the office of President José Napoleón Duarte.

But the statement said the military "will remain vigilant" during the truce, scheduled from midnight Tuesday to Jan. 2, because the army had a "constitutional obligation to watch over public security."

The cease-fire, proposed Sunday by Catholic Archbishop Arturo Rivera y Damas, was immediately accepted by the rebels.

Cease-fires for both Christmas and New Year's have been traditional. But the government's acceptance came as a surprise. A military observer had said the army would be reluctant to agree to a suspension of patrols, counterinsurgency sweeps or air raids.

## Catholics Open a New Era in Beijing

(Continued from Page 1)

cial group that runs Catholicism in China since Mao forced Chinese Catholics in 1957 to break their ties with the pope.

Because of the break, Catholics in China have not shared in the changes decreed by the Second Vatican Council in 1962-65, such as the holding of Mass in indigenous languages rather than in Latin.

For the renovation of the Beitang Church, which is also known as the Church of the Savior, Beijing allocated one million yuan ($310,000) and made available carpenters, painters and masonry workers. Helped by volunteers, they completed the work barely 24 hours before the consecration ceremony Tuesday.

A man of 82 who attended the ceremony with his son and grandson recalled being baptized in the church, taking his first Communion there and later, after earning a doctorate in Germany, returning to be married there.

"This was our spiritual home," he said in German. "Now we have the building back, but a faith is more than buildings. It is here in the heart, and our hearts are still yearning for something the party has denied us."

He was alluding to the Communists' continuing refusal to allow formal links between Catholics and the Vatican.

According to official figures, there are three million Catholics in China, 30,000 of them in Beijing.

For them, the last few years have seen improvements from the Mao era, when churches were closed and worship was forbidden. This year alone has seen the reopening of churches in Beijing, Shanghai and Tianjin, and the independent Chinese Catholic group has played host to Catholic visitors from abroad, including Mother Teresa.

In Rome, Pope John Paul II has responded with conciliatory remarks, but his insistence on recognition of papal authority has been rebuffed here.

According to the old man who spoke of the lost link with Rome, some believers prefer to worship in private rather than attend the official churches. Since many of these people had managed to observe the sacraments throughout the Cultural Revolution, he said, it was not difficult for them to continue to do so.

"The feeling for the pope is very strong, particularly this pope," he said. Referring to the Polish-born pontiff, he said, "He is loved both for his strength and his vitality, and because he, too, has known what it is to be a believer in a Communist land."

From the scene in the Beitang it seemed that for many Catholics the opportunity to worship openly, to hear a choir singing "Kyrie, Christe, Kyrie," to listen to the pealing of church bells, even if only on a recording, was more compelling than doctrinal disputes.

## Soviet Plane Hijacked; China Returns Passengers

(Continued from Page 1)

and declined to answer further questions.

"On Dec. 19, a Soviet civil aviation passenger plane, an Antonov-24, was hijacked to China," the statement said. "The plane landed in the western part of Heilongjiang province. On Dec. 21, crew members and all the passengers returned to the Soviet Union safely."

The Soviet Embassy declined comment on the incident.

Gannan, which has no airport, is 12 miles (19 kilometers) from the large Heilongjiang city of Qiqihar and about 500 miles southeast of Chita.

Officials from the Chinese Foreign Ministry and Soviet Embassy in Beijing were sent to Hailar to handle the incident, the Hailar official said.

A spokesman for China's Civil Aviation Administration confirmed the hijacking but declined to discuss it in detail.

Diplomats in Beijing said it was the first known instance of a hijacking to Communist China.

Six Chinese hijacked a domestic airliner to South Korea on May 5, 1983, and requested political asylum. In a response that led to expanded ties between Seoul and Beijing, the South Koreans convicted the hijackers of violating territorial airspace.

But they were released a year later and sent to Taiwan, where they were welcomed as heroes.

**NYSE Most Actives**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| AT&T | 22014 | 24⅝ | 23¾ | 24 | — ½ |
| CmwE | 16261 | 29¼ | 28⅜ | 28⅞ | — ⅜ |
| Midcon | 14659 | 64½ | 62⅝ | 64½ | +1⅝ |
| NICOR | 13814 | 21⅞ | 20⅝ | 21½ | + ⅝ |
| UnCarb | 13235 | 72⅝ | 70⅝ | 71 | — ⅛ |
| BeatCo | 12322 | 46¼ | 46 | 46⅛ | |
| MidSUt | 11156 | 10⅝ | 10⅜ | 10½ | + ⅛ |
| IBM | 10116 | 154⅝ | 151¼ | 152¾ | —1¼ |
| Texaco | 8955 | 30⅝ | 29⅝ | 30½ | + ⅜ |
| Revnln s | 8907 | 33 | 32¼ | 32½ | — ¾ |
| RCA | 8646 | 59½ | 59¼ | 59½ | + ⅛ |
| Pfizer | 7924 | 50⅝ | 49⅞ | 50⅝ | |
| PhilMr | 7204 | 90¾ | 88⅝ | 88¾ | —2 |
| Sears | 7158 | 37⅜ | 37¼ | 37⅜ | — ¼ |
| Trchm s | 6971 | 22½ | 21½ | 21⅞ | — ⅞ |

**Dow Jones Bond Averages**

| | Close | Ch'ge |
|---|---|---|
| Bonds | 83.56 | + 0.03 |
| Utilities | 82.73 | + 0.03 |
| Industrials | 84.40 | + 0.03 |

**Dow Jones Averages**

| | Open | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Indus | 1526.38 | 1532.45 | 1508.83 | 1519.15 | — 9.63 |
| Trans | 700.61 | 703.07 | 693.00 | 698.38 | — 3.87 |
| Util | 172.19 | 172.60 | 170.34 | 171.52 | — 1.70 |
| Comp | 609.56 | 610.76 | 601.74 | 606.01 | — 4.03 |

**NYSE Diaries**

| | Close | Prev. |
|---|---|---|
| Advanced | 534 | 498 |
| Declined | 974 | 1199 |
| Unchanged | 491 | 383 |
| Total issues | 1999 | 2080 |
| New Highs | 39 | 93 |
| New Lows | 7 | 5 |
| Volume up | 23,304,340 | |
| Volume down | 42,480,700 | |

**NYSE Index**

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Composite | 119.82 | 118.94 | 119.25 | — 0.76 |
| Industrials | 137.30 | 136.33 | 136.70 | — 0.78 |
| Transp. | 112.48 | 111.90 | 112.35 | — 0.68 |
| Utilities | 61.99 | 61.78 | 61.92 | — 0.57 |
| Finance | 128.91 | 127.84 | 128.06 | — 0.99 |

**Odd-Lot Trading In N.Y.**

| | Buy | Sales | *Sh'rt |
|---|---|---|---|
| Dec. 20 | 345,192 | 569,825 | 8,804 |
| Dec. 19 | 282,226 | 547,638 | 9,351 |
| Dec. 18 | 212,677 | 584,395 | 5,698 |
| Dec. 17 | 298,842 | 683,429 | 5,484 |
| Dec. 16 | 355,663 | 719,464 | 4,506 |

*Included in the sales figures

**Tuesday's NYSE Closing**

| | |
|---|---|
| Vol. at 4 P.M. | 78,300,000 |
| Prev. 4 P.M. vol. | 107,890,000 |
| Prev consolidated close | 197,541,090 |

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

*Via The Associated Press*

**AMEX Diaries**

| | Close | Prev. |
|---|---|---|
| Advanced | 287 | 250 |
| Declined | 286 | 375 |
| Unchanged | 260 | 238 |
| Total Issues | 833 | 863 |
| New Highs | 10 | 34 |
| New Lows | 11 | 13 |
| Volume up | 2,265,200 | |
| Volume down | 1,920,030 | |

**Standard & Poor's Index**

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Industrials | 231.60 | 229.24 | 230.12 | — 1.48 |
| Transp. | 187.45 | 185.25 | 186.22 | — 1.23 |
| Utilities | 92.17 | 91.06 | 91.27 | — 0.90 |
| Finance | 25.19 | 24.91 | 24.99 | — 0.20 |
| Composite | 208.57 | 206.44 | 207.14 | — 1.43 |

**NASDAQ Index**

| | Close | Ch'ge | Week Ago | Year Ago |
|---|---|---|---|---|
| Composite | 320.37 | — 1.21 | 323.25 | 310.50 |
| Industrials | 334.59 | — 1.02 | 327.20 | 313.54 |
| Finance | 418.30 | — 1.34 | 422.13 | 418.43 |
| Insurance | 376.36 | — 4.16 | 385.45 | 376.88 |
| Utilities | 301.09 | — 1.32 | 302.28 | 291.08 |
| Banks | 348.71 | — 1.37 | 346.55 | 329.94 |
| Transp. | 290.05 | — 2.32 | 293.78 | 274.75 |

**AMEX Sales**

| | |
|---|---|
| 4 P.M. volume | 6,380,000 |
| Prev. 4 P.M. volume | 11,030,000 |
| Prev. cons. volume | 13,830,000 |

**AMEX Most Actives**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| WangB | 2089 | 19¼ | 18⅞ | 19¼ | + ⅛ |
| NtPatnt | 2019 | 20⅝ | 19 | 20⅝ | +1⅝ |
| GlfCd a | 1319 | 15 | 14⅞ | 15 | |
| AM Intl | 1247 | 5⅞ | 5½ | 5⅞ | — ⅛ |
| DomeP | 1245 | 2⅜ | 2 | 2 | |
| Wickes | 1186 | 4⅛ | 4⅛ | 4⅛ | + ⅛ |
| Astrotc | 1171 | 1⅛ | 1 | 1⅛ | + ⅛ |
| ChmpH | 961 | 1⅛ | 1⅛ | 1⅛ | + ⅛ |
| KeyPh | 902 | 11 | 10⅝ | 11 | + ⅛ |
| TexAir | 901 | 16⅛ | 15⅝ | 15⅞ | — ⅛ |
| HouOT | 860 | 3½ | 3⅜ | 3⅜ | + ⅛ |
| TIE | 784 | 6⅛ | 5⅞ | 6⅛ | + ⅛ |
| NYTimes | 776 | 49 | 48⅛ | 48⅝ | — ⅛ |
| Hasbr s | 772 | 35½ | 34⅝ | 34⅞ | — ⅝ |
| CnStor s | 709 | 14⅛ | 14 | 14⅛ | |

**AMEX Stock Index**

| High | Low | Close | Ch'ge |
|---|---|---|---|
| 242.98 | 241.75 | 242.49 | — 0.49 |

# Dow Drops as Volume Plunges

*New York Times Service*

NEW YORK — Investors abandoned the stock market Tuesday, leaving a vacuum in which stock prices fell sharply for the second consecutive session.

Because of the huge profits made over the last four months, traders and market analysts said it was not surprising that investors decided to extend the official *one*-day break for Christmas.

"Most of the guys made a big score this month, and they indulged themselves not only with taking profits, but with a holiday," said Alan Ackerman, an analyst with Herzfeld & Stern.

So many people took off that volume on the New York Stock Exchange plunged to 78.3 million shares, making it the slowest session in about three and a half months. That compared with 107.9 million shares on Monday and 170.3 million last Friday. Tuesday's volume was above last year's pre-Christmas Day session, when only 55 6 million shares were traded.

There were just enough sellers this year to cause the Dow Jones industrial average to decline 9.63 points, to 1,519.15. When combined with Monday's 14.22 drop, the two-day loss was the worst since mid-September.

Prosperity also may cause investors to remain inactive when trading resumes on Thursday and Friday, according to market analysts, who sense that prices could drift lower through the end of the week.

The New York Stock Exchange's composite index declined 0.76 point Tuesday, to 119.25, and the Standard & Poor's 500-stock index was down 1.43, to 207.14. The average share declined 23 cents as 971 issues fell and only 534 advanced.

The American Stock Exchange index declined by 0.49 to 242.49, and in over-the-counter trading the NASDAQ index dropped by 1.21 to 320.37.

If there was one factor that kept the market busy it was probably tax-related selling. Tuesday was the first time this year that investors could take profits on their stock holdings while deferring the capital gains into the next tax year.

Taxpayers who sell stocks at a profit between Tuesday and the year's end have the option of either recording those gains this year or next. Tax-conscious investors are likely to continue selling for this reason until Dec. 31, analysts said.

American Telephone & Telegraph, trading ex-dividend, led the consolidated active list Tuesday despite only 2.2 million shares being traded. Commonwealth Edison, another stock that is trading without the dividend, fell 1⅛ to 28⅞.

MidCon, with the third-best volume, rose 1⅝ to 64½. An investment group headed by privately held Wagner & Brown said that it was making progress in getting financing for its MidCon bid. On Tuesday, MidCon said that it had sued the group.

IBM, the blue-chip leader that has risen sharply in recent weeks, backtracked 1¼ to 152¾, on volume of only 1 million shares. Pennzoil rose 1⅜ to 65⅛, and Texaco edged up ⅜ to 30½. The companies are negotiating the settlement of a damage claim under which Texaco may have to pay Pennzoil more than $11 billion.

(Continued on Page 8)

Herald International Tribune

# BUSINESS/FINANCE

THURSDAY, DECEMBER 26, 1985 **



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**WALL STREET WATCH**

## End-of-the-Year Strategies Offer Some Loss Protection

By VARTANIG G. VARTAN
*New York Times Service*

NEW YORK — In the four trading days remaining this year, stock market investors still have time to consider a variety of tax strategies. Losses may be established for income-tax purposes in 1985 by selling before the closing bell on Tuesday, Dec. 31, since the U.S. Tax Code states that such losses are recognized on the date of sale. Losses often are taken to offset gains and thereby reduce tax liability.

On the other hand, investors who sell stocks at a profit during the final five days of the year have the choice of declaring these gains either on their 1985 or 1986 tax form, depending upon which year appears most beneficial.

"Gains are generally not recognized for tax purposes until the investor receives the proceeds of the sale," Standard & Poor's Outlook said. "If you sell at a gain in the last five trading days of 1985, the trade does not settle until 1986. In such a case, according to Internal Revenue Service rules, you have made an installment sale and the gain is subject to tax in the following year. However, a taxpayer who elects not to report the sale on the installment method should include the gain in 1985 income."

> "Another way to protect the gain . . . is to write, or sell, a call option on the stock."

One advantage of postponing a gain until 1986 involves what economists call "the time value of money." In simple terms, this means that people can enjoy funds otherwise used for tax payments for an additional period.

Certain strategies also exist for "locking in" profits made this year and, at the same time, postpone reporting of the gain until 1986.

Some brokers report that many clients are using this approach, since many have substantial gains in the soaring stock market of recent months. Such a tactic is especially appealing to clients who are fearful of seeing their gains erode next year if stock prices decline.

THE time-honored technique for locking in such gains is called "shorting against the box." The box in this instance refers to the safe deposit box, or account, of the short seller. Although a short sale of this type may be used to carry over a profit from one year to the next, it cannot change any short-term gains into long-term gains. The holding period for long-term capital gains is a minimum of six months and a day.

For example, a person may have purchased 200 shares of a stock at $30 in September before the market began its spectacular rally. The price of the stock by now may have climbed to $50. This gives the stockholder a "paper profit" of $4,000, less brokerage commissions.

In order to realize this profit, but not report it as taxable income until 1986, the investor can sell short 200 shares of borrowed stock at $50. The price the investor ultimately receives — in this case, $50 a share — effectively is set at the time of the short sale. Then, next year, the holder can realize this price when he instructs his broker to deliver the "long" position, or the stock held in the box, against the short sale. In the process, both the long and short positions are closed out.

Certain option-related techniques also can be used to protect a gain while postponing the reporting of the gain until 1986,


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## Shake-Up Gives Rougher Face to London Market

### Deregulation Inflates Salaries, Doubles Pace

By Steve Lohr
*New York Times Service*

LONDON — In his oak-paneled office adorned with Victorian prints of gentlemen hunting and fishing, Somerset Gibbs complained good-naturedly about the boom times in his trade: head-hunting for clients in the City of London, Britain's Wall Street.

"The problem for headhunters now," he said, grinning, "is that there's too much business."

Head-hunting — the recruitment of personnel, especially at the executive level — has changed not only in its volume, but in its manner, said Mr. Gibbs, a 59-year-old former senior partner in a London brokerage house.

For years, job-hopping in this square-mile (2.6 square-kilometer) City was conducted by unwritten rules of civility. Anyone who wanted to leave a company practically had to ask his boss for permission.

"But now it's all rough and tough and there are lawyers lurking in the background," Mr. Gibbs said. "The old boys' club is disappearing very rapidly."

Indeed, the shake-up now under way in the City of London is probably the most sweeping liberalization of a financial market to occur anywhere in recent years.

It is a revolution of both structure and style. The London Stock Exchange is being opened to outsiders as part of deregulation. Restrictive trade practices that protect but also limit the activities of brokers, dealers and banks are being discarded.

The deregulation will peak next October with what is referred to here as the "Big Bang." Fixed charges on securities trading will be abandoned in favor of negotiated commissions, a step that Wall Street took in 1975.

"Anybody who says he knows what will happen in October 1986 is lying," says Paul Neild, a senior director of Phillips & Drew, a big London brokerage. "And six months after that, anyone who says he knows the shape things will be in is also lying."

The shift in London is being watched with great interest, and not just in the offices that are expanding around the City. Deregulation in London, Europe's leading financial center, is forcing change on the Continent and may have even a more critical impact on Wall Street.

Brokerages and American commercial banks have been scrambling to buy stakes in British companies as London has become an increasingly important leg in the tripod of international business with New York and Tokyo.

The sharp increases over the last year in global equity trading, in which stocks of some companies are traded almost continuously around-the-clock, have led American brokerages to want more of a presence in the City.

Deregulation in London also will allow American commercial banks, to sharpen their skills in the securities markets as they await the possible repeal of the Glass-Steagall Act, which bars banks in the United States from most of the securities business.

The opening of the London market, which has been pushed by Prime Minister Margaret Thatcher's government, is intended to break up the cozy but increasingly uncompetitive club that has dominated the London financial markets.

The shakeout will transform the City from a cottage industry


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The Associated Press

Activity on the floor of the London Stock Exchange.

## India to Buy 21 Helicopters From Westland

*Compiled by Our Staff From Dispatches*

NEW DELHI — India has decided to buy 21 helicopters from Britain's troubled Westland company, which is at the center of a takeover battle, and another 21 from nationally owned Aerospatiale of France, a government official has said.

The decision involves Westland's W-30 Westland helicopters and the French group's Dauphin helicopters. Jagdish Tytler, the minister for civil aviation, was quoted Tuesday by the Press Trust of India as saying they would be used for oil exploration and passenger service.

Sources close to Westland said the British portion of the transaction was worth £65 million ($92 million).

In London, a Westland spokesman said "we have not yet had confirmation of the contract, but if it is true, it's good news."

The order could be important to Westland, which is on the brink of collapse because of its failure to gain contracts on the W-30 helicopters.

"Any order we get will obviously be good news," the spokesman said.

Westland, which has reported losses of £98.7 million this year, is weighing bids from a U.S.-Italian partnership and a European consortium that includes Aerospatiale.

Sikorksky, a unit of U.S.-based United Technologies Corp. and Fiat SpA of Italy, have offered £30 million for a 29.9-percent stake in Westland.

The European group, which also includes Agusta SpA of Italy, Messerschmidt-Bölkow-Blohm AG of West Germany and the British groups General Electric Co. and British Aerospace PLC, have bid £37 million for a similar interest.

The offers have been at the heart of a bitter ministerial dispute in Britain. Leon Brittan, the trade and industry minister, backed the Westland board's initial decision to accept the Sikorsky-Fiat offer, while the defense secretary, Michael Heseltine, supports the European solution.

Discussions between Britain and India had continued for two years, although any possible sale at times seemed jeopardized by frosty relations between the two countries.

India complained that the British government had not taken a tough stand on some London-based Sikh extremists preaching secessionism and terrorism in India.

Prime Minister Margaret Thatcher of Britain discussed the helicopter sale when she visited India last April and when Prime Minister Rajiv Gandhi of India visited Britain in October.

Mr. Gandhi told the Indian Parliament in May that Britain had threatened to cut its development aid to India by £45 million because of India's refusal to buy the helicopters costing about £65 million.

Mr. Gandhi, who is a pilot, also said in May that the helicopters were not suitable for use in India's coastal areas and were very expensive.

A spokesman for Britain's High Commission said Wednesday, "There have been certain modifications in the helicopters for Indian conditions — in the weight factor and other aspects."

He also said there were some changes in the financial package, but did not give any details. "The contract should be signed shortly," the spokesman said.

Mr. Tytler said that the fleet of 42 helicopters would begin operating next October. *(AFP, AP)*

## India Cracks Down on Its Huge 'Black Economy'

By Steven R. Weisman
*New York Times Service*

NEW DELHI — A wave of arrests of prominent business executives and other wealthy people on tax-evasion charges has shaken the Indian business community and stirred a new debate over the country's huge "black economy" of illicit and underground business activities.

Almost every week for the last several months, the Finance Ministry has been announcing another raid or seizure of assets and records of a well-connected business executive — in one case holding a powerful Bombay industrialist in custody for more than two weeks.

Business executives who have praised Prime Minister Rajiv Gandhi for his program of tax cuts and curbs on government regulations are now angrily charging that he is singling them out for punishment for political reasons.

"I don't feel any of us can say they shouldn't carry out these raids," said a New Delhi industrialist, asking not to be identified. "But tax evasion is a universal problem. Everybody does it. Why single out the businessman?"

Indeed, a recent government report concluded after a two-year study that last year there was $30 billion worth of activity in the black economy, where taxes are avoided illegally. That represents one-fifth of India's gross national product, the total measure of its goods and services.

Reuters

V.P. Singh

"Our qualitative judgment is that the making of black incomes has become a very integral, even routine dimension of Indian society," the report said. It cited the practice of false bookkeeping in real estate, imports and exports, large and small retail operations, manufacturing and other areas.

The report's estimate attributes to India one of the highest rates of underground economic activity in the world. Many experts believe that the black economy is perhaps twice as big as the report says.

The raids have thus struck close to home for countless people and become a major topic of conversation.

Among the prominent people arrested recently was Kap al Mehra, chairman of the Orkay silk mills in Bombay. He was held for questioning for 18 days, drawing cries of protest from the Bombay Merchants Chamber.

And S.L. Kirloskar, 84, chairman of the Kirloskar Group, one of India's biggest conglomerates, was arrested but released on bail. Some business executives called this a "humiliation" for an elderly man who had been associated with India's independence movement.

One Bombay businessman said the charges of under-invoicing against Mr. Kirloskar were engaged in by 90 percent of India's business community.

When he took office last year, Mr. Gandhi said he would try to cut down on illicit economic activity, but until recently many people criticized him for doing nothing in this area.

Defending the recent raids, Finance Minister V.P. Singh said that they were aimed at complementing the policy of lowering tax rates and "rationalizing" the tax system.

"The biggest assurance of compliance with the tax structure is its reasonableness," Mr. Singh said recently, adding that since taxes had been lowered, business executives would have to adjust to a "new culture" of obeying the law.

"Industry has to give up this philosophy that only by connivance of the laws can it flourish," he declared.

Few finance ministers in Indian history have been as blunt as this, and Mr. Singh has won widespread praise for his efforts. The minister acknowledged that he had dealt the system "a shock" but denied that anyone was being harassed.

Yet the Finance Ministry said recently that the number of arrests of prominent people had been increased on purpose.

"We are paying less attention to petty violations and going after the bigger fish," a ministry spokesman said.

Almost $150 million in business and individual assets have been seized this year, nearly two-thirds more than last year. And Indian news organizations have reported that the number of large companies being prosecuted has quadrupled.

"We have been told by high-ups," a tax investigator in Bombay


(Continued on Page 11, Col. 1)


## Singapore to Tighten Stockbroking Rules

*Reuters*

SINGAPORE — The government plans to institute more control over the Singapore Stock Exchange under draft laws to be introduced in Parliament, according to Finance Minister Richard Hu.

In an interview published in Tuesday's Business Times, Mr. Hu said that amendments to the Securities Industry Act would bring the stockbroking industry into line with changes in the Banking Act.

Mr. Hu said the new laws would require broking firms to observe capital-to-asset ratios and "prudential" debt ratios.

"They will also have to conform to limitation on exposure to a single customer," he added.

The minister said the government wants broking firms to increase their capital bases by allowing banks to take equity, a move that he said has been strongly resisted by the exchange.

"And we are even prepared to consider foreign securities companies to take equity in local stock brokerages," Mr. Hu said, adding that such participation would have certain limitations.

Under existing rules, outside stakes are limited to 25 percent of total paid-up capital of a broking firm. The stakes are required to be in the form of preference or preference participating shares, which do not carry voting rights.

Such shareholders are not allowed to transact any business on behalf of the broking firm in which they have a stake, nor can they appoint directors. The outsider shareholders also may not be financial institutions.

Mr. Hu also said the amended act would ensure that external auditors report on the exchange's individual member firms in much the same way as they do for the banks.

The changes also would allow the finance minister to nominate nonmembers to sit on the stock exchanges' management committee, he said.

The exchange now is managed by a five-member committee elected annually from among exchange members. The committee is responsible for rules and bylaws governing operation and administration of listing rules and enforcement of corporate disclosure policy.

## Currency Rates

### Cross Rates

Dec. 23-25

| | $ | £ | D.M. | F.F. | H.L. | Gldr. | B.F. | S.F. | Yen |
|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 2.8295 | 4.04 | 112.495 * | 34.775 * | 0.1654 * | — | 5.514 * | 134.45 * | 139.55 y |
| Brussels(a) | 51.325 | 73.11 | 20.4495 | 6.47 | 3.0033 * | 18.1565 | — | 34.338 | 25.32 * |
| Frankfurt | 2.5095 | 3.586 | — | 22.615 * | 1.4625 x | 88.765 * | 4.893 * | 119.18 * | 1.2295 * |
| London (b) | 1.425 | — | 3.5713 | 10.944 | 2.426.50 | 48.298 | 73.075 | 3.8003 | 289.05 |
| Milan | 1,711.75 | 2,445.50 | 681.95 | 223.09 | — | 608.14 | 33.348 | 812.71 | 8.444 |
| New York(c) | — | 0.7013 # | 2.508 | 7.68 | 1,708.00 | 2.8235 | 51.27 | 2.169 | 202.90 |
| Paris | 7.684 | 10.988 | 3.0438 | — | 4.495 x | 2.722 | 14.988 * | 3.647 | 3.296 * |
| Tokyo | 280.40 | 399.21 | 80.74 | 26.21 | 11.84 * | 71.71 | 393.31 * | 98.97 | — |
| Zurich | 2.1095 | 3.0043 | 84.00 * | 27.435 * | 0.7222 * | 74.545 * | 4.1146 * | — | 1.0291 * |
| 1 ECU | 0.8218 | 0.612 | 2.3874 | 6.7055 | 1.491.36 | 2.4642 | 44.6657 | 1.8378 | 174.849 |
| 1 SDR | 1.08863 | 0.74423 | N.Q. | N.Q. | 1,862.34 | 3.0803 | N.Q. | 2.2916 | 220.972 |

*Closings in London and Zurich. Rates in other European centers. New York rates at 3 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (#) To buy one pound: $U.S1.25.*

### Other Dollar Values

| Currency | per U.S.$ | Currency | per U.S.$ | Currency | per U.S.$ | Currency | per U.S.$ |
|---|---|---|---|---|---|---|---|
| Argen. austral | 0.80 | Fin. markka | 5.475 | Mex. peso | 457.00 | Soviet ruble | 0.7442 |
| Austral. $ | 1.4238 | Greek drac. | 150.80 | Neth. kroon | 7.67 | Swed. kroon | 7.495 |
| Austr. schil. | 17.63 | Hong Kong $ | 7.807 | Phil. peso | 19.05 | Swed. krona | 7.495 |
| Belg. fin. fr. | 51.57 | Indian rupee | 12.1803 | Port. escudo | 160.00 | Taiwan $ | 37.90 |
| Brazil cruz. | 9,865.00 | Inda. rupiah | 1,125.00 | Saudi riyal | 3.6502 | Thai baht | 26.445 |
| Canadian $ | 1.3975 | Irish £ | 0.878 | Sing. $ | 2.1185 | Turkish lira | 549.45 |
| Chinese yuan | 3.2015 | Israeli shek. | 1,450.00 | S. Afr. rand | 2.4571 | UAE dirham | 3.6725 |
| Danish krone | 9.11 | Kuwaiti dinar | 0.2985 | S. Kor. won | 892.52 | Venez. boliv. | 14.70 |
| Egypt. pound | 1.36 | Malay. ringg. | 2.4345 | | | | |

£ Sterling: 1.1473 Irish £

*Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Chemical Bank (New York); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.*

## Interest Rates

### Eurocurrency Deposits

Dec. 23/24

| | Dollar | D-Mark | Swiss Franc | Sterling | French Franc | ECU | SDR |
|---|---|---|---|---|---|---|---|
| 1 month | 8¼-8⅛ | 4 ⅞-6 ⅛ | 5-5⅛ | 11⅝-11⅝ | 12⅝-13⅝ | 9⅛-9⅛ | 8 ⅛. |
| 2 months | 8-8 ⅛ | 4⅝-5 | 4 ⅞-4 ⅞ | 11 ⅞-11 ⅞ | 12⅝-13⅝ | 9⅛-9⅛ | 8 ⅛. |
| 3 months | 7⅞-8 | 4⅝-5 | 4⅝-4⅞ | 11⅝-11⅝ | 13⅛-13⅝ | 9⅛-9⅛ | 8 |
| 6 months | 7⅞-8 | 4⅝-5 | 4⅝-4⅞ | 11⅝-11 ⅞ | 12⅝-13⅝ | 9⅛-9⅛ | 7 ⅞. |
| 1 year | 7 ⅞-8 ⅛ | 4 ⅞-5 | 4⅝-4⅞ | 11⅝-11 ⅞ | 11⅝-11⅞ | 9-9⅛ | 7 ⅞. |

*Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).*

### Key Money Rates

Dec. 23/24

| | Close | Prev. |
|---|---|---|
| **United States** | | |
| Discount Rate | 7½ | 7½ |
| Federal Funds | 7⅞ | 7⅞ |
| Prime Rate | 9½ | 9½ |
| Broker Loan Rate | 9 | 9 |
| Com Paper 90-179 days | 7.75 | 7.75 |
| 3-month Treasury Bills | 7.03 | 7.06 |
| 6-month Treasury Bills | 7.05 | 7.09 |
| CD's 30-89 days | 7.55 | 7.55 |
| CD's 90-179 days | 7.55 | 7.50 |
| **West Germany** | | |
| Lombard Rate | 5.50 | 5.50 |
| Overnight Rate | 4.70 | 5.10 |
| One Month Interbank | 4.95 | 4.90 |
| 3-month Interbank | 4.85 | 4.85 |
| 6-month Interbank | 4.85 | 4.85 |
| **France** | | |
| Intervention Rate | 8⅛ | 8⅛ |
| Call Money | 9⅛ | 9⅛ |
| One-month Interbank | 9 | 9 15/16 |
| 3-month Interbank | 9 | 9 |
| 6-month Interbank | 9 1/16 | 9 1/16 |
| **Britain** | | |
| Bank Base Rate | 11½ | 11½ |
| Call Money | 11 | 11 |
| 91-day Treasury Bill | 11 7/32 | 11 7/32 |
| 3-month Interbank | 11 29/64 | 11 29/64 |
| **Japan** | | |
| Discount Rate | 5 | 5 |
| Call Money | 7 15/16 | 7⅞ |
| 90-day Interbank | 7 15/16 | 7 15/16 |

*Sources: Reuters, Commerzbank, Crédit Lyonnais, Bank of Tokyo.*

### Asian Dollar Deposits

Dec. 24

| | |
|---|---|
| 1 month | 8⅛ - 8⅜ |
| 2 months | 8 - 8⅛ |
| 3 months | 8 - 8⅛ |
| 6 months | 7 ⅞ - 8 ⅛ |
| 1 year | 7 ⅞ - 8 ⅛ |

*Source: Reuters.*

### U.S. Money Market Funds

Dec. 23/24

| | |
|---|---|
| Merrill Lynch Ready Assets 30 day average yield: | 7.86 |
| Telerate Interest Rate Index: | 7.72 |

*Source: Merrill Lynch, Telerate.*

## Gold

Dec. 24

| | A.M. | P.M. | Ch'ge |
|---|---|---|---|
| Hong Kong | 325.15 | 325.95 | + 1.07 |
| Luxembourg | Closed | — | |
| Paris (12.5 kilo) | 327.71 | Closed | +0.37 |
| Zurich | 326.05 | 325.25 | −2.30 |
| London | 324.85 | Closed | −2.75 |
| New York | — | 325.40 | Unch. |

*Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.*

*Source: Reuters.*

## Markets Closed

Markets and banks were closed Wednesday in the United States, Western Europe, Canada, South Africa and most of the Far East because of the Christmas holiday. However, markets were open in Bahrain, Saudi Arabia, Japan and Thailand.

On Thursday, markets and banks will be closed in Australia, Britain, Belgium, Canada, Hong Kong, Italy, Luxembourg, the Netherlands, South Africa, Sweden, Switzerland and West Germany.

## U.S. Cites Rise In Orders for Durable Goods

*The Associated Press*

NEW YORK — Durable goods orders to U.S. factories increased in November for the first time in three months, and although much of the growth was attributable to a surge in military orders, some analysts say it could mean growing demand for U.S. goods next year.

The Commerce Department on Tuesday reported that orders for durable goods — items expected to last for three years or more — rose 0.9 percent in November. That compared with a sharp 2-percent decline in the previous month, and a 0.9-percent dip in September.

Total orders would have increased only a slight 0.1 percent during November if not for a 17.2-percent jump in military goods orders.

Analysts also noted that the civilian capital goods category — which is considered a clue to plans for industry expansion and modernization — fell 1.4 percent. But that decline included a sharp drop in orders for civilian aircraft, without which the category would have grown 10.2 percent.

John Albertine, president of the American Business Conference, a coalition of high-growth companies, said he believed capital spending would be "surprisingly robust" next year.

"As the effects of the dropping dollar and falling interest rates are felt in the marketplace, I think we will see a sizable increase in new orders for domestically produced capital goods," he said.

For the first 11 months of 1985, orders for durable goods have risen a sluggish 3.6 percent, reflecting the strong foreign competition aided by a strong dollar.

## Fed Criticized Over Junk-Bond Limit

By Nathaniel C. Nash
*New York Times Service*

WASHINGTON — The Reagan administration, displeased by what it considers to be an attempt by the Federal Reserve Board to slow the number of corporate takeovers, has criticized the central bank's proposal to limit the use of below-investment-grade bonds in such takeovers.

In a public comment filed with the central bank, the departments of Justice, Treasury, Labor and Commerce, along with the Office of Management and Budget and the Council of Economic Advisers, questioned the Federal Reserve's legal authority to apply margin-requirement rules to takeovers financed with so-called junk bonds.

The Federal Reserve is an independent agency that regulates banks that belong to its system and conducts monetary policy. Neither Congress nor the administration has direct authority over it, so the impact of Monday's filings was not immediately clear.

The administration asked the Federal Reserve to delay enactment of the rule, so as to give "interested parties additional time to respond."

It argued that the action would cripple the takeover market, reduce shareholder prices, lead to higher administrative and legal costs for acquiring companies, cause a greater regulatory burden for the government and precipitate an influx of hostile takeover offers by foreign concerns.

"The board's proposal would destroy the market for corporate control, which disciplines inefficient management and enables stockholders to maximize return on their investment," Douglas H. Ginsburg, assistant attorney general and head of the Justice Department's antitrust division, said Monday.

Meanwhile, the Securities and Exchange Commission, which enforces the margin-requirement rules, filed a comment letter with the central bank Monday, also opposing its proposed action.

Federal Reserve officials have denied that the bank is trying to enter the regulation of takeovers, or even to limit the debt on corporate balance sheets. But the administration and regulatory agencies saw it as an attempt by the central bank to expand its regulatory turf.

Moreover, the move seems to hit at the core of the administration's free-market philosophy. The level of response, marshaling just about every agency and branch with an interest in the takeover market, was a barometer of how threatening the administration felt the Federal Reserve's action to be.

The implication of the administration's filing was that it would join in any court challenge to the proposed rule, but it did not overtly threaten a legal challenge.

The Fed's action, according to some Washington sources, could lead to a chilling of relations between the board's chairman, Paul A. Volcker, and the Treasury under Secretary James A. Baker 3d.

Mr. Volcker has made it clear that he dislikes the amount of junk bonds used in takeovers. He fears that too much corporate cash will go to paying interest on the high-interest-rate bonds, instead of productive assets, which could cripple the economy in the event of a recession.

On Dec. 10, a divided board of governors at the Federal Reserve voted, 3-2, to impose restrictions on takeovers that used the debt from so-called shell corporations with no tangible assets to purchase the stock of another corporation.

The Federal Reserve said that after Dec. 31 it would begin applying margin requirements, under Regulation G of the Securities and Exchange Act of 1934. Under the regulations, only half of the financing for a stock purchase can come from debt.

## Hong Kong Reports Narrowing Of Its Trade Deficit in November

*Reuters*

HONG KONG — Hong Kong recorded a trade deficit of 159 million Hong Kong dollars ($20.38 million) in November after having deficits of 368 million dollars in October and 39 million dollars in November 1984, according to the Census and Statistics Department.

Total exports in November were 20.17 billion dollars, up from 19.60 billion dollars in October and 19.71 billion dollars in November 1984, the department said Tuesday.

Domestic exports were 11.45 billion dollars, up from 11.16 billion dollars in October but down from 11.70 billion dollars in November 1984. Re-exports rose to 8.72 billion dollars from 8.43 billion dollars in October and 8.01 billion dollars last year.

Hong Kong's imports rose to 20.33 billion dollars in November from 19.97 billion dollars in October and 19.75 billion dollars in November 1984.

The results gave Hong Kong a trade surplus of 4.11 billion dollars for the first 11 months of 1985, compared with a deficit of 1.89 billion dollars for the like period in 1984.

Total exports for the year-to-date were 213.36 billion dollars, compared with 200.55 billion dollars in the 1984 period. Imports for the year-to-date rose to 209.26 billion dollars from 202.44 billion dollars last year.

# Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 6)

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 23¾ | 16⅛ | PSA dpf | 1.90 | 9.2 | | 10 | 20¾ | 20⅝ | 20⅝ | |
| 14⅝ | 12 | PacAS | 1.54 | 10.4 | | 2 | 14¾ | 14⅝ | 14⅝ | + ⅛ |
| 20⅝ | 16 | PacGE | 1.84 | 9.3 | 7 | 2143 | 19⅝ | 19⅝ | 19⅝ | |
| 47⅝ | 39 | PacLtg | 3.48 | 7.5 | 13 | 146 | 46⅝ | 46½ | 46⅝ | — ⅛ |
| 41⅛ | 24½ | PcLum | 1.20 | 3.2 | 24 | 53 | 37¾ | 37½ | 37⅝ | |
| 12 | 5⅝ | PacRes | | | 11 | 65 | 11 | 10¾ | 10⅞ | |
| 20½ | 13½ | PacRs pf | 2.00 | 9.8 | | 4 | 20½ | 20⅜ | 20⅜ | — ⅛ |
| 17½ | 12⅝ | PacSci | .40 | 2.8 | 13 | 38 | 14⅝ | 14⅜ | 14⅜ | |
| 85⅝ | 64¾ | PacTele | 5.72 | 6.9 | 9 | 5021x | 84 | 82¾ | 82¾ | — ⅞ |
| 15 | 9¼ | PacTin | .40 | 3.2 | 7 | 14 | 12½ | 11⅞ | 12½ | +1 |
| 31⅞ | 24¾ | Pacificp | 2.40 | 7.8 | 9 | 305 | 31⅛ | 30⅝ | 30⅝ | — ⅝ |
| 36 | 31 | Pacif pf | 4.07 | 11.5 | | 3 | 35½ | 35¼ | 35¼ | |

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 30⅝ | 20⅝ | PhilVH | .40 | 1.3 | 14 | 527 | 30½ | 29⅞ | 30⅛ | |
| 35¾ | 26⅝ | PiedA s | .28 | .8 | 8 | 477 | 33⅞ | 33¼ | 33½ | — ⅜ |
| 36⅝ | 29½ | PieNG | 2.32 | 6.4 | 15 | 8 | 36½ | 36⅜ | 36⅜ | |
| 28½ | 14⅝ | Pier 1 | | | 15 | 45 | 27⅝ | 27⅛ | 27⅝ | |
| 63¾ | 38¾ | Pilsbry | 1.72 | 2.9 | 14 | 402 | 60⅛ | 59⅞ | 59½ | — ⅞ |
| 34 | 21½ | Pioneer | 1.24 | 5.4 | 12 | 702 | 23 | 22⅝ | 22⅞ | + ⅛ |
| 24⅝ | 13½ | PionrEl | .08e | .5 | | 9 | 17½ | 17½ | 17½ | — ⅞ |
| 49⅞ | 33⅝ | PitnyB | 1.20 | 2.5 | 14 | 235 | 47¼ | 46⅞ | 47⅛ | — ¾ |
| 98 | 67½ | PitnB pf | 2.12 | 2.2 | | 2 | 94½ | 94½ | 94½ | —3⅞ |
| 14½ | 9⅝ | Pittstn | | | | 110 | 12 | 11⅞ | 11⅞ | |
| 21 | 16½ | PlanPt n | .07 | .4 | | 221 | 17⅛ | 16⅝ | 16¾ | — ⅛ |
| 19 | 11 | PlanRs | .20 | 1.2 | 14 | 132 | 17 | 16 | 16½ | — ⅜ |
| 14⅝ | 7 | Plantrn | .16b | 1.2 | 14 | 47 | 14 | 13¾ | 13⅞ | + ⅛ |
| 13⅝ | 7¼ | Playboy | | | 80 | 51 | 8¾ | 8⅝ | 8¾ | |
| 28 | 19¼ | Plesey | .64e | 2.6 | 18 | 6 | 25 | 24½ | 24½ | — ½ |
| 19 | 10½ | PogoPd | .60 | 5.5 | 52 | 480 | 10⅞ | 10⅝ | 10⅞ | |
| 45 | 24¼ | Polarid | 1.00 | 2.4 | 62 | 1125 | 42⅝ | 40½ | 42 | — ⅜ |
| 16¼ | 10½ | Pondrs | .40 | 3.0 | 134 | 311 | 13½ | 13¼ | 13⅜ | |
| 21½ | 15⅝ | PopTal | .80b | 4.1 | 89 | 15 | 19⅝ | 19½ | 19½ | — ¼ |
| 22⅝ | 14⅝ | Portec | .60 | 3.3 | | 12 | 18⅛ | 18 | 18 | — ⅜ |
| 80½ | 73 | Portr pf | 5.90 | 4.7 | | 10z | 81½ | 81½ | 81½ | +1½ |
| 23¼ | 16⅛ | PortGE | 1.90 | 8.6 | 9 | 808 | 22⅛ | 22 | 22 | |
| 25⅝ | 20 | PorG pf | 2.60 | 10.7 | | 5 | 24⅜ | 24⅜ | 24⅜ | — ⅜ |
| 35⅞ | 31⅛ | PorG pf | 4.40 | 12.9 | | 13 | 34½ | 34⅛ | 34⅛ | — ⅜ |
| 35½ | 30⅝ | PorG pf | 4.32 | 12.9 | | 28 | 34 | 33⅝ | 33⅝ | — ⅜ |
| 43⅝ | 28⅜ | Potlich | 1.56 | 4.2 | 15 | 169 | 37 | 36⅝ | 37 | |
| 34⅛ | 24⅞ | PotmEl | 2.16 | 6.5 | 9 | 225 | 33⅛ | 32⅞ | 33 | — ⅛ |
| 97½ | 73⅛ | PotEl pf | 2.44 | 2.5 | | 3 | 97 | 97 | 97 | +2 |
| 48 | 38⅛ | PotEl pf | 4.50 | 9.4 | | 100z | 48 | 48 | 48 | |
| 43½ | 33⅛ | PotEl pf | 4.04 | 9.4 | | 502 | 43 | 43 | 43 | +1 |
| 29¼ | 18⅝ | Premin | .40 | 1.4 | 22 | 70 | 29 | 28⅝ | 29 | + ⅛ |
| 23⅝ | 16¼ | Primk s | 1.10 | 4.8 | 9 | 259 | 23⅛ | 22½ | 23⅛ | + ⅝ |
| 23⅝ | 14½ | PrimeC | | | 19 | 859 | 21⅜ | 21¼ | 21½ | + ⅛ |
| 39¾ | 17⅞ | PrimM s | .07 | .2 | 28 | 442 | 38⅞ | 38⅝ | 38⅝ | — ¼ |
| 71¾ | 50⅝ | PrectG | 2.60 | 3.8 | 17 | 1353 | 69⅝ | 68⅝ | 69 | — ⅝ |
| 17¼ | 8¼ | PrdRs s | .28 | 1.7 | 25 | 55 | 16⅛ | 15⅝ | 16⅛ | + ⅛ |
| 45¾ | 35½ | Protler | 1.40 | 3.3 | 20 | 2 | 42⅝ | 42⅝ | 42⅝ | |
| 2⅝ | 1⅜ | PruRC n | | | | 120 | 2 | 1⅞ | 1⅞ | — ⅛ |

W

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 31⅝ | 26 | WICOR | 2.42 | 7.8 | 9 | 12 | 31⅛ | 31 | 31 | — ⅛ |
| 26 | 16½ | Wackht | .60 | 2.3 | | 67 | 25⅞ | 25½ | 25⅝ | — ¼ |
| 10⅝ | 6 | Wainoc | | | | 76 | 6⅝ | 6⅛ | 6⅝ | + ⅛ |
| 34½ | 18⅝ | WlMart s | .14 | .4 | 29 | 4750 | 31¼ | 30½ | 31¼ | + ⅞ |
| 30⅛ | 27½ | Walgrn s | .50 | 1.8 | 18 | 1056 | 28⅝ | 27¾ | 28⅛ | — ⅛ |
| 25⅝ | 17⅛ | WkHRs | 9 1.48 | | | 14 | 23 | 23 | 23 | |
| 40⅝ | 38⅝ | WalCSv | .50 | 1.3 | 17 | 24 | 39⅝ | 39 | 39⅝ | + ⅛ |
| 43 | 31 | WaltJm | 1.40 | 3.3 | 8 | 1165 | 43⅛ | 42⅝ | 42⅞ | — ½ |
| 10⅝ | 8¼ | WaltJ pf | 1.00 | 10.0 | | 300z | 10 | 10 | 10 | |
| 56⅝ | 42 | WaltJ pf | 1.60 | 2.8 | | 2 | 57 | 57 | 57 | + ⅛ |
| 32½ | 17¾ | Warnco | .88 | 2.9 | 16 | 592 | 30⅝ | 30⅜ | 30⅝ | |
| 36⅝ | 19⅝ | WrnCm | | | | 4121 | 37⅝ | 35⅝ | 37⅛ | +1⅜ |
| 49⅝ | 33⅝ | WarnrL | 1.56 | 3.3 | 16 | 1978 | 48⅛ | 47⅝ | 47⅝ | — ⅛ |
| 23½ | 17¼ | WashGs | 1.44 | 7.5 | 9 | 110 | 22¼ | 22 | 22 | — ¼ |
| 28¼ | 21 | WshNat | 1.08 | 4.1 | 8 | 695 | 26½ | 25⅜ | 26¼ | + ⅛ |
| 25 | 18⅝ | WshWt | 2.48 | 10.1 | 9 | 607 | 24⅝ | 24½ | 24⅝ | |

X

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 60½ | 37¼ | Xerox | 3.00 | 5.3 | 19 | 2454 | 57¼ | 55⅞ | 56⅝ | — ¾ |
| 56⅝ | 48½ | Xerox pf | 5.45 | 10.0 | | 5 | 54⅝ | 54¼ | 54¼ | |
| 29 | 20⅝ | XTRA | .64 | 2.8 | 13 | 29 | 23 | 22½ | 22¾ | — ½ |

Z

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 30¾ | 24⅝ | ZaleCp | 1.32 | 4.6 | 13 | 423 | 29½ | 29 | 29 | — ½ |
| 17 | 6¼ | Zapata | .12 | 1.6 | 63 | 1612 | 7½ | 7¼ | 7⅜ | — ⅛ |
| 66⅛ | 32⅝ | Zayre s | .48 | .8 | 18 | 418 | 59¾ | 59 | 59⅝ | — ⅝ |
| 25 | 16¼ | ZenithE | | | 963 | 406 | 19⅝ | 19 | 19¼ | — ⅛ |
| 23 | 17¼ | Zero s | .32 | 1.4 | 19 | 77 | 22¾ | 22½ | 22⅝ | — ⅜ |
| 41½ | 24⅝ | Zurnin | 1.32 | 3.6 | 14 | 30 | 36⅝ | 36⅜ | 36⅜ | — ½ |

## NYSE Highs-Lows

NEW HIGHS 39

| | | | |
|---|---|---|---|
| AGS Cptr | AdvestGrp | Alexandrs | AlliedPrd |
| AmHerltLf | AndraCloy | ApPw 235pf | BancCtrl n |
| Beldg Hem | BklynUGs pf | CentVtPS | CinG 475pf |
| CwE 724pf | ConnNG | Culbro | Curtiss Wrt |
| Excelsr InS | Firestone | FtBnkFla s | GenlDevl wt |
| HanJhn Sec | HoughtMif | IndiM 275pf | JamesRiver |
| LIL Co pfS | Nashua Cp | OhEd 180pf | Porter pf |
| SL Indust | SealedAir | StdProd | Sterchi Bro |
| Teledyne | Tennc 740pr | Thackeray | UnEl 213pf |
| WalterJim | WaltJ 160pf | WarnrCom | |

NEW LOWS 7

| | | | |
|---|---|---|---|
| EntexEng | IP Timber n | LearPet cv p | NtMineSv |
| PrudRlyCo | TolEd adjptA | UnitDrill | |

## U.S. Futures

*Via The Associated Press*

Dec. 24

## Currency Options

PHILADELPHIA EXCHANGE

Dec. 24

Source: AP.

## U.K. Reports Decline Of Oil Production In the North Sea

*Reuters*

LONDON — Oil output from the U.K. sector of the North Sea fell in November from the levels recorded in October, according to the Royal Bank of Scotland PLC.

The bank's production index, base 1980, dropped to 161.6, a fall of 5.5 points from the level of October, when production came close to the record levels of January. Last month's index figure, which was down 1 percent from the level of November 1984, represented an average daily output of 2.66 million barrels of crude oil.

The bank said Tuesday that production was marginally lower across two-thirds of the 30 producing fields in the U.K. sector and that the overall fall in output was expected to continue in December.

The bank said the greatest declines were in Britoil PLC's Beatrice field, where both platforms were closed for maintenance in the early part of the month, and in two British Petroleum Co. fields, Forties and Buchan.

It said Forties is currently producing at only 75 percent of its potential.

The bank said total North Sea production for 1985 was expected to average 2.6 million barrels a day, up 1 percent from the 1984 total.

## GM Said to Ready Financing Plan

By John Holusha

*New York Times Service*

DETROIT — General Motors Corp. will offer 7.9-percent financing on some cars beginning on Thursday as an incentive to increase flagging sales, according to auto industry sources.

Several GM dealers said the incentives would be offered on about half the automobile giant's product line, including the Chevrolet Nova, the product of GM's venture with Toyota Motor Corp. The program is expected to extend through February.

If there was any surprise in the GM plan, it was the attention the campaign will draw to the slow-selling Nova, a key part of GM's effort to hold on to part of the small car market through various alliances with Japanese car makers.

Auto industry analysts had been predicting that GM would be forced to offer some form of incentives to clean out stocks of unsold vehicles if it hoped to meet its ambitious first-quarter production schedule.

There was no comment from GM on the predicted action, nor any response from the other auto companies in Detroit, which are closed for Christmas.

More than one million GM cars have piled up in dealers' lots as November and December sales slumped after the expiration of a 7.7-percent financing campaign in October. Dealers have an 85-day supply of cars, well above the 60 days' supply considered normal.

Chrysler Corp. currently has an 8.6-percent financing rate, or rebates of $500 to $1,000, in effect for most of its smaller and midsize cars.

Ford Motor Co. is offering 7.9-percent financing on its subcompact Escort, Lynx and EXP models, and the program is due to expire Jan. 2. However, if past practice is any guide, Ford will be forced to respond to GM's incentives to avoid losing market share.

## Asian Commodities

Dec. 24

SINGAPORE GOLD FUTURES
U.S.$ per ounce

| | High | Low | Settle | Prev. Settle |
|---|---|---|---|---|
| Feb | N.T. | N.T. | 328.40 | 327.90 |
| Mar | N.T. | N.T. | 330.40 | 329.50 |
| Apr | N.T. | N.T. | 332.20 | New |
| Jun | N.T. | N.T. | New | — |

Volume: 0 lots of 100 oz.
Source: Reuters.

## London Metals

Dec. 24

| | Close Bid | Ask | Previous Bid | Ask |
|---|---|---|---|---|
| **ALUMINUM** Sterling per metric ton | | | | |
| spot | 751.50 | 752.00 | 750.00 | 751.00 |
| forward | 775.00 | 775.50 | 776.50 | 777.00 |
| **COPPER CATHODES (High Grade)** Sterling per metric ton | | | | |
| spot | 973.00 | 973.50 | 973.00 | 974.00 |
| forward | 994.50 | 995.50 | 997.00 | 998.00 |
| **COPPER CATHODES (Standard)** Sterling per metric ton | | | | |
| spot | 935.00 | 950.00 | 960.00 | 961.00 |
| forward | 983.00 | 985.00 | 985.00 | 990.00 |
| **LEAD** Sterling per metric ton | | | | |
| spot | 264.50 | 265.00 | 267.00 | 268.00 |
| forward | 275.00 | 275.25 | 275.50 | 276.50 |
| **NICKEL** Sterling per metric ton | | | | |
| spot | 2815.00 | 2825.00 | 2850.00 | 2860.00 |
| forward | 2860.00 | 2865.00 | 2910.00 | 2915.00 |
| **SILVER** Pence per troy ounce | | | | |
| spot | 401.50 | 402.00 | 411.00 | 412.00 |
| forward | 413.00 | 412.50 | 423.00 | 424.00 |
| **TIN (Standard)** Sterling per metric ton | | | | |
| spot | Susp. | Susp. | — | — |
| forward | Susp. | Susp. | — | — |
| **ZINC** Sterling per metric ton | | | | |
| spot | 458.00 | 460.00 | 467.00 | 469.00 |

Source: Reuters.

## London Commodities

Dec. 24

| | High | Low | Close Bid | Ask | Previous Bid | Ask |
|---|---|---|---|---|---|---|
| **SUGAR** Sterling per metric ton | | | | | | |
| Mar | 150.40 | 147.80 | 147.80 | 148.00 | 149.20 | 149.60 |
| May | 155.00 | 152.20 | 152.20 | 152.80 | 154.00 | 154.20 |
| Aug | N.T. | N.T. | 157.60 | 158.20 | 158.80 | 159.00 |
| Oct | 164.60 | 164.60 | 162.60 | 163.00 | 163.60 | 164.00 |
| Volume: 421 lots of 50 tons. | | | | | | |
| **COCOA** Sterling per metric ton | | | | | | |
| Dec | 1,745 | 1,734 | 1,736 | 1,738 | 1,744 | 1,750 |
| Mar | 1,787 | 1,777 | 1,777 | 1,778 | 1,786 | 1,790 |
| May | 1,791 | 1,781 | 1,781 | 1,783 | 1,792 | 1,798 |
| Jly | 1,802 | 1,793 | 1,793 | 1,795 | 1,802 | 1,804 |
| Sep | 1,814 | 1,812 | 1,803 | 1,810 | 1,814 | 1,816 |
| Dec | 1,817 | 1,812 | 1,808 | 1,812 | 1,816 | 1,818 |
| Mar | 1,836 | 1,830 | 1,820 | 1,826 | 1,828 | 1,838 |
| Volume: 869 lots of 10 tons. | | | | | | |
| **COFFEE** Sterling per metric ton | | | | | | |
| Jan | 2,730 | 2,690 | 2,690 | 2,695 | 2,710 | 2,730 |
| Mar | 2,810 | 2,740 | 2,750 | 2,757 | 2,778 | 2,780 |
| May | 2,875 | 2,810 | 2,811 | 2,815 | 2,830 | 2,839 |
| Jly | 2,920 | 2,860 | 2,861 | 2,865 | 2,890 | 2,900 |
| Sep | 2,960 | 2,900 | 2,910 | 2,920 | 2,930 | 2,935 |
| Nov | 2,970 | 2,910 | 2,935 | 2,940 | 2,940 | 2,944 |
| Jan | 2,960 | 2,960 | 2,940 | 2,960 | 2,948 | 2,970 |
| Volume: 7,063 lots of 5 tons. | | | | | | |

Sources: Reuters.

## DM Futures Options

W. German Mark-125,000 marks, cents per mark

Dec. 24

| Strike Price | Calls-Settle Mar | Jun | Sep | Puts-Settle Mar | Jun | Sep |
|---|---|---|---|---|---|---|
| 38 | 2.37 | 2.86 | — | 0.10 | 0.25 | 0.50 |
| 39 | 1.59 | 2.14 | 2.57 | 0.32 | 0.60 | 0.76 |
| 40 | 0.94 | 1.57 | 1.99 | 0.66 | 0.99 | 1.12 |
| 41 | 0.51 | 1.09 | 1.50 | 1.21 | 1.50 | 1.56 |
| 42 | 0.25 | 0.72 | 1.11 | 1.94 | 2.07 | 2.11 |
| 43 | — | 0.46 | — | — | 2.78 | — |

Estimated total vol. 2,045
Calls: Mon. vol. 1,156 open int. 30,023
Puts: Mon. vol. 718 open int. 21,476
Source: CME.

## S&P 100 Index Options

Dec. 24

| Strike Price | Calls-Last Jan | Feb | Mar | Apr | Puts-Last Jan | Feb | Mar | Apr |
|---|---|---|---|---|---|---|---|---|
| 170 | 34 | — | — | — | 1/16 | 1/16 | — | — |
| 175 | 27 | — | — | — | 1/16 | 1/16 | — | — |
| 180 | 22 | 22½ | 24⅝ | — | 1/16 | 3/16 | 7/16 | — |
| 185 | 18¼ | 19½ | 19⅝ | — | 1/16 | ⅜ | 13/16 | — |
| 190 | 13⅝ | 14⅛ | 15 | — | 3/16 | 1 1/16 | 1 5/16 | — |
| 195 | 8⅝ | 10½ | 11½ | — | ⅝ | 2 1/16 | 2⅝ | 3⅛ |
| 200 | 5⅜ | 7 | 8⅛ | 9⅜ | 2⅜ | 3⅞ | 4½ | 5⅜ |
| 205 | 2½ | 4⅝ | 5⅝ | 6½ | 4⅝ | 6⅜ | 7 | 8 |
| 210 | 1 3/16 | 2⅝ | 3⅝ | — | 8⅝ | 9¼ | 10 | 11⅛ |
| 215 | 7/16 | 1⅛ | 2½ | 3⅝ | 13⅜ | 13⅝ | — | 12⅝ |
| 220 | 3/16 | ½ | 1⅛ | 2 | — | — | 20 | 16⅝ |

Total call volume 131,859
Total call open int. 557,341
Total put volume 17,337
Total put open int. 548,839
Index:
High 202.86 Low 200.31 Close 201.41 — 1.45
Source: CBOE.

## Cash Prices

Dec. 24

| Commodity and Unit | Tue | Year Ago |
|---|---|---|
| Coffee 4 Santos, lb | 1.85 | 1.38 |
| Printcloth 64/30 38½ yd | 0.72 | 0.78 |
| Steel billets (Pitt.), ton | 473.00 | 473.00 |
| Iron 2 Fdry. Phila., ton | 213.00 | 213.00 |
| Steel scrap No 1 hvy Pitt. | 73-74 | 81-82 |
| Lead Spot, lb | 18-19 | 20-23 |
| Copper elect., lb | 67-72 | 64-67 |
| Tin (Straits), lb | N.A. | 5.9368 |
| Zinc, E. St. L. Basis, lb | 0.25 | 0.45 |
| Palladium, oz | 90-92 | 127-131 |
| Silver N.Y., oz | N.A. | 6.58 |

Source: AP.

## Official at British Steel Is Appointed Chairman

*The Associated Press*

LONDON — The deputy chairman of British Steel Corp., Bob Scholey, will become chairman of the state-owned corporation next April, the government announced Thursday.

Mr. Scholey, 64, who has been deputy chairman for 13 years, will succeed Sir Robert Haslam, who will become chairman of the National Coal Board. Sir Ronald Halstead, 58, will succeed Mr. Scholey as deputy chairman.

## Average Beijing Salary Increased 30% in 1985

*Agence France-Presse*

BEIJING — The average monthly salary of workers in Beijing increased 30 percent this year to 1,300 yuan ($406), the Xinhua news agency said, quoting Mayor Chen Xitong.

Mr. Chen said Tuesday that the average salary of peasants working in rural areas around Beijing had moved up 13 percent to 750 yuan. Foreign experts estimate that inflation in China this year was around 20 percent.

## Citibank Plans Japan Expansion

*Agence France-Presse*

TOKYO — Citibank plans to establish a retail banking network here by acquiring a local bank in the Tokyo metropolitan area, the newspaper Asahi Shimbun reported Wednesday.

Alan Weber, a Citibank vice president, was quoted as saying that the New York-based bank was considering opening more than 50 branches in the Tokyo area by acquiring a Japanese bank in the mutual savings and loans business.

The bank now has six branches in Tokyo, Osaka and other major cities in Japan, but it opted to purchase a Japanese bank rather than expand its existing network because of the Japan's rapid moves toward banking deregulation, Mr. Weber said.

## *Japan to Reduce Plywood Tariffs By April of 1987*

*Agence France-Presse*

TOKYO — Japan decided Wednesday to lower import tariffs on plywood by about 5 percent in April 1987, despite a U.S. demand for earlier and larger reductions, the Kyodo news agency reported.

Tariffs on softwood plywood, which comes mainly from the United States and Canada, would be reduced to about 10 percent, from 15 percent, Kyodo quoted government officials as saying.

Tariffs on hardwood plywood from Indonesia and other Southeast Asian nations would be reduced to between 12 and 16 percent from the present 17 to 20 percent, depending on the thickness of the wood, Kyodo said.

Japan might officially convey the decision to the United States when the two countries hold a subcabinet-level meeting in Washington Jan. 8-9.

[illegible]

**INESS ROUNDUP**

# estinghouse Sells Group W Cable

eraldine Fabrikant
*ew York Times Service*

YORK — Westinghouse Corp. has signed an agree- sell its Group W Cable y to five cable operators, of about $2.1 billion. been negotiating for sever- s with various bidders. yers are American Televi- ommunications, which is a n subsidiary, Tele-Com- ons, Comcast Communi- nd two smaller companies, & Associates and the Cen- thwest Communications

ghouse said Tuesday that proceeds from the sale $1.6 billion, but that tax would make the ultimate ghly $2.1 billion, or about $1,050 per subscriber for each of Group W's approximately two million subscribers. Group W is the third biggest U.S. cable television operator. Cable systems have been selling for about $1,000 per subscriber.

Each of the three principal buyers, Time, Comcast and Tele-Communications, will contribute 20 percent to 30 percent of the purchase price, or up to $500 million each, according to Bernard Gallagher, the treasurer of Comcast.

The buyers are expected to divide up the systems among themselves, with each keeping those that are adjacent to cable systems they already own. Some analysts said Tuesday that the price was average for the cable business and that the sale looked attractive for Time and the other buyers because of the price, the potential economies of scale and flexibility in their own tax treatment of the purchase.

For Westinghouse, the transaction would result in an after-tax book gain of about $500 million, based on current tax rates.

Westinghouse paid $646 million when it bought Telepromptor in 1980, assuming about $300 million in debt. Westinghouse subsequently invested about $800 million in the cable systems. However, the electronics and electrical equipment manufacturer wrote off a large percentage of that sum for tax purposes.

As a result, for book purposes the investment was less than $1 billion, bringing pretax profits on Tuesday's sale to about $700 million, *or $500 million after taxes.*

Westinghouse said it plans to use the proceeds to retire short-term debt related to the repurchase of its stock and to finance acquisitions related to its restructuring.

As part of that restructuring program, Westinghouse has said it would buy back 25 million shares, or 14 percent, of its common stock. Since that program was announced in late August, the company has repurchased 21 million shares at an average price of $42.25.

Westinghouse stock closed on Tuesday at $44.25 a share, down 37½ cents, on the New York Stock Exchange.

The sale, which should be completed by 1986, includes all Group W Cable properties, except for two Chicago franchises currently under construction and several smaller systems being sold separately.

## Building Orders Fall

*Reuters*

O — Orders from Japan's nstruction firms fell 18.3 n November to 955.44 bil- ($475 billion) from 1.17 en in October, when they n 22.4 percent from Sep- the Construction Ministry Wednesday.

## *MidCon Sues Takeover Bidder*

*The Associated Press*

LOMBARD, Illinois — MidCon Corp. said it has sued a partnership attempting a hostile takeover, alleging violations of federal securities laws.

WB Partners said Monday that it had received commitments covering more than two-thirds of the financing needed for its $2.7-billion cash offer to acquire MidCon, a natural-gas pipeline company. MidCon's board rejected the offer and authorized an offer to buy back up to 10 million shares of its own common stock in a $75-a-share cash and securities stock swap.

In several lawsuits filed Tuesday, MidCon asked for an injunction against the takeover, accused the defendants of "making misleading statements or omitting pertinent information in the tender offer." WB Partners is a partnership of Freeport-McMoRan Inc., a New Orleans energy and minerals company, and Wagner & Brown, an oil and gas concern based in Midland, Texas.

# Renault Puts More Cash Into AMC

By John Holusha
*New York Times Service*

DETROIT — American Motors Corp. said it has received another injection of cash from its French parent, Renault, in the form of a sale of $50 million in debentures.

The transaction brings Renault's total stake in the smallest of the U.S.-based auto companies to $645 *million, including the $405 million* it spent to buy 46.1 percent of AMC's common stock.

The action, taken on Tuesday, does not affect Renault's ownership position, an AMC official said.

AMC did not say what the funds were to be used for, but the company has been steadily posting losses while trying to develop new lines of cars to add to its slow-selling Alliance and Encore subcompacts.

The company's losses in the first three quarters of 1985 total $118 million. AMC was marginally profitable in 1984, a banner year for the U.S. auto industry, with profits of $15 million, but it reported a loss of $147 million in 1983 and $154 million the previous year.

*Renault recently made management* changes at AMC. Pierre Semerena, 58, formerly an executive vice president of Renault, was made chairman. Jose J. Dedeurwaerder, also a former Renault executive, and AMC's president since 1982, was retained as chief executive and was made chairman of the board's executive committee.

Since the French government-owned Renault gained control of AMC in 1979, the company has concentrated on modifying for the U.S. market cars developed by Renault, as well as selling Renault models imported from France.

In addition to the Alliance and Encore, AMC is planning to introduce a high-performance model, the Alpine, in America by 1987 and is building a factory in Brampton, Ontario, to build midsize cars.

AMC officials have also reportedly been talking with smaller Japanese automobile companies about the possibility of importing a minicar to compete with the low-priced models coming from South Korea, Taiwan, Yugoslavia and other foreign locations.

# *EDS Withdraws Proposal to Acquire Logica*

By Bob Hagerty
*International Herald Tribune*

LONDON — Electronic Data Systems Corp., a unit of General Motors Corp., has said that it has withdrawn a proposal to acquire Logica PLC, one of Europe's biggest independent computer-software companies.

EDS said Tuesday that Logica's board had rejected a proposal made last week. Terms were not disclosed, but at Logica's current share price the company is valued at about £50 million ($72 million).

Logica has been highly successful in creating customized software, particularly for the banking, military and telecommunications industries. But a diversification into manufacturing of word processors and other equipment has foundered. As a result, Logica reported a loss of £3.5 million on revenue of £80.6 million in the year ended June 30.

The company announced last week that it would close most of its loss-ridden manufacturing operations at an estimated cost of £11 million, which would effectively wipe out its net tangible assets. To refinance itself, the company has arranged to raise £15.1 million through a sale of new shares.

The stockbrokerage of Grieveson, Grant & Co. forecasts that Logica's mainstream business will show pretax profit of £5.5 million in the current year, up from £3.7 million last year.

A spokesman for EDS said the company never intended to make a hostile bid for Logica. Philip Hughes, Logica's chairman, said last week that a takeover by EDS would lead to "an enormous walkout of staff, starting with the senior people."

General Motors acquired Dallas-based EDS in October 1984 for $2.55 billion. EDS has been seeking to increase its data-processing business in Europe, where it has more than 1,600 employees.

EDS announced last week an agreement under which it assumed responsibility for certain data-processing and communications services for Unilever in Britain and the Netherlands.

# *Texaco Gets Financing From Banks*

*United Press International*

WHITE PLAINS, New York — Texaco Inc. has agreed to sell up to $1.6 billion of its accounts receivable *to a group of American and* international banks.

The oil giant, which earlier this month had an $11.1-billion court judgment against it, said Monday that it had completed the agreement to sell accounts receivable "on a continuing basis" to the banks.

Texaco said the transaction was not connected to a possible settlement with Pennzoil Co., in whose favor the judgment was made.

Texaco's treasurer, Edward Wolahan, said Manufacturers Hanover Bank (Delaware) is the manager of the bank syndicate.

He said the purchase agreement had been established to support the liquidity positions of Texaco and its subsidiaries.

Texaco said last week it was trying to reach agreement with its lenders for a credit arrangement *that would give it access to additional* cash and help allay concerns among suppliers about being paid.

On Friday, Texaco asked U.S. District Court Judge Charles Brieant to issue a preliminary injunction to stop Pennzoil from collecting the record judgment while Texaco appealed a Texas jury's finding that Texaco illegally enticed Getty Oil Co. to renege on a merger pact with Pennzoil in 1984.

The judge adjourned the hearing after lawyers for Texaco and Pennzoil said they were discussing settlement.

Texaco has argued that it cannot afford to pay the $12-billion bond required under Texas law to appeal the judgment.

■ **Progress Reported in Talks**

Representatives of Texaco and Pennzoil have made some progress in talks aimed at settling their dispute, sources close to the talks said, according to a New York Times report.

But Baine P. Kerr, a Pennzoil director participating in the negotiations, said: "We're far from agreeing on anything."

# *er First Year, GM-Toyota Plant Called a Success*

## ovative Contract Involves Workers in Decisions, but Not All Are Happy

Henry Weinstein
*s Angeles Times Service*

MONT, California — One s the first Chevrolet Nova *d off the assembly line at* rbished General Motors re, the joint venture be- M and Toyota Motor Co. hailed as a major success experts and union and officials.

've made fabulous pro- a relatively short period of id David Cole, director of ersity of Michigan's Office udy of Automotive Trans- n, who visited the Japa- plant last month.

Jon Ephlin, vice president nited Auto Workers union his is a dramatic step for- the proper utilization of esources in an American

S. Warren Jr., GM's vice for industrial relations, think they've done a very of taking an American e and making it very ef-

oint-venture company, ew United Motor Manu- g Inc., is known as

hi Mizuo, coordinator of ffairs, and other company praised the way American are responding to manage- thods adopted from the ystem. It calls for much ployee involvement in the tion of production than in U.S. factory.

NUMMI system meets e to expand their capabil- id Mr. Mizuo, who is on NUMMI from Toyota, worked in labor relations ars.

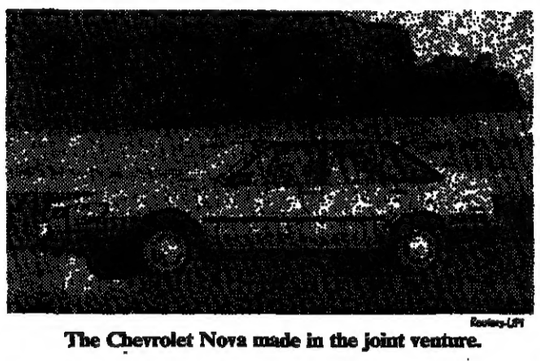
entatives of labor and ent jointly "lay out the , sequence of work, and job themselves," said Bill the company's general of human resources. "This departure from the Ameri- of making a car."

ant is not without prob- t the workers' generally eaction is considered par- noteworthy. It is the first anese company has oper- ar plant in the United ng veteran union workers.

90 percent of the hourly s worked at the GM plant me site before it closed in 82. That work force had a for militancy and absen- nd Toyota officials were to rehire many of them.

se same workers are pro- at they and company of- is a very high quality car, rcent to 70 percent of the n Japan. In the first ran- three of 20 cars audited ersonnel were rated "per- ich is unusual for any

roves that what GM said people was wrong," said ano, the UAW's bargain- ittee chairman, who led to get Fremont workers after GM and Toyota eir accord in February r people can take care of



Reuters-UPI

The Chevrolet Nova made in the joint venture.

business if they have the right incentives. GM could have done the same thing. There's no magic."

The "same thing," Mr. Nano said, means treating workers with dignity and making use of their brains as well as their bodies.

Primarily under the management of former Toyota officials, the 3.1 million-square-foot (280,000 square-meter) Fremont plant is serving as a laboratory for several experiments in labor relations. Among innovations for a U.S. factory is the deep involvement of workers in quality control.

"The Japanese have shown great patience," Mr. Warren said, "and a great deal of effort goes into training and dealing with errors: the willingness not just to repair a damaged part but to stop at that point and go back and determine what caused that damage and take care of it right then and there.

"In American industry, we tend to run and make volume. We tend to make repairs and go on, not to seek the cause of damage."

Mr. Nano and Joel Smith, the union's regional director in Fremont, lauded the company's demand for quality from its suppliers as well as its workers.

Mr. Nano noted that glass with imperfections that GM had previously accepted had been sent back to a long-term supplier.

Still, problems lurk under the surface. Some workers feel that the assembly line moves too fast. They say that union representatives, many of whom spent two years unemployed or bouncing from one low-paid job to another after GM shut the Fremont plant, are unwilling to push the issue because they fear that the venture will fail and they will be out in the streets again.

"We don't have time to inspect any more. We glance," said Richard Aguilar, an inspector on the assembly line. "They work us like we're robots. These people saying the plant is great haven't worked on the assembly line."

Similarly, some labor analysts say the union's increased role in quality control has diminished its ability to represent workers aggressively on the shop floor.

"I don't think it's possible to be responsible for defending workers and also responsible for productivity and absenteeism," said Steve Diamond, a labor educator at the University of California's Institute of Industrial Relations in Berkeley.

But Mr. Ephlin said he considered that the union can shoulder both responsibilities.

"Our first role must be representing the people, protecting their contractual rights," he said. "But at the same time we must represent the total work force by making the plant a success, a viable and competitive one."

Mr. Smith acknowledged the concerns about line speed and said it probably would be crucial to the question of whether harmonious labor relations are maintained. Production started quite slowly at the plant but has gradually increased, to nearly 10,000 a month. The current goal is to roll one car off the line every 54 seconds, a fast rate.

The plant is likely to reach full production of about 20,000 cars a month in the second quarter of 1986, using considerably fewer workers than a typical U.S. auto plant would. However, Mr. Wingard said jobs will be continually restructured to make them easier and more efficient.

A union committeeman, Eddie Valdez, said some workers are finding it difficult to adjust to the new production system.

"*The new people are afraid to* speak out, to stop the line when they should," he said. "I think this fear will disappear as people become familiar with the system and they're there longer."

Still some union officials feel it is too early to predict what will happen when full production commences.

"I can foresee more problems on the production side, not having enough people to do the work," Mr. Smith said.

But, he said, "If you make an argument with management about an issue and the foundation of our argument is that it affects the quality of the product, they listen quite well.

"The problems can be solved if we try to do it through the framework as we wrote it," he said, referring to the contract between the UAW and NUMMI.

Among the features of the three-year agreement signed in June:

● Workers are given the right to stop the production line without fear of discipline if they believe they are unable to do high quality work safely. This gives the union a role in determining the pace of work, but the contract does not set minimum staffing levels.

● NUMMI is obliged before laying off any hourly employee to reduce the salaries of officers and management staff and to restore to the bargaining unit any work that has been contracted out. This is unprecedented in the U.S. auto industry, as is NUMMI's agreement "that it will not lay off employees unless compelled to do so by severe economic conditions that threaten the long-term financial viability of the company."

● In return, the union surrendered 80 job classifications, traditionally considered by the union a mechanism to guarantee job security, but considered by management an encumbrance to operating flexibility. At NUMMI, all production workers are in one job classification and skilled trades workers are divided into only three categories.

● The union receives access to confidential corporate data, including annual objectives and plans for technological change that will affect hourly employees.

● *NUMMI workers got a wage-* and-benefit package similar to one UAW workers got after a brief strike at General Motors in September 1984.

● The company will pay about two dozen union members to serve as "coordinators" in the plant, assigned to work groups to assist in solving potential and actual problems.

● A program has been established to involve workers in decision making. The union participates in meetings to determine if there are mitigating circumstances that should be considered before an employee is fired for disciplinary reasons.

Mr. Valdez said the role of union officials is considerably different from what it was when GM ran the plant.

"Before, my relationship with *management was of a confrontational nature,"* he said of his 13 years as a committeeman in the old factory.

"Now, my duties are to try to make the thing work, working hand in hand with management," he said. "But the union principles aren't lost: if someone is treated unfairly, the grievance will be addressed."

So far, there have not been many formal grievances filed.

Thus far, the four-door subcompacts are selling fairly well, according to GM officials, although the backlogs are higher than GM would like.

About 28,000 of the four-door Nova subcompacts had been sold through November, Ed Lechtzin of Chevrolet public relations in Detroit said, and about 26,000 are available at dealers throughout the country.

*He said a survey of 1,800 buyers* showed high ratings for the car. Its base price is $7,435, and with all the options it can cost up to $10,345.

Television commercials promoting the car tout "The Best of Both Worlds," a reference to the bi-cultural manufacturing process used in Fremont.

# Vector Graphic Seeks Chapter 11 Protection

*Los Angeles Times Service*

LOS ANGELES — Vector Graphic Inc., which grew from a kitchen-table business to the forefront of the personal-computer revolution, said it has filed for protection from its creditors under Chapter 11 of the U.S. Bankruptcy Code.

The company said Tuesday that it will keep trying to find a merger partner, and that discussions will continue with Dual Systems Control, a privately held computer company in Berkeley, California, that had earlier agreed in principle to merge with Vector and temporarily ran the company under a management contract.

Vector's board "has determined that the best means to proceed with merger or alternative reorganization discussions is through the Chapter 11 proceeding," the company said, adding that it will go on selling its products and providing support to existing users.

At its peak in its 1982 fiscal year, Vector had $36.2 million in sales, $2.4 million in profits and 425 employees. It specialized in personal computers and multiuser systems favored by small businesses, and once was one of the three biggest companies in that field.

But management miscues and the entry of giant IBM into the personal computer business sent the company into a steep slide from which it has never recovered.

The 9-year-old Vector now has fewer than 30 employees. It reported losses of $9.2 million for the fiscal year ended June 30 and $7.6 million the year before. Sales plummeted to $5.1 million, from $15.2 million in the 1984 fiscal year.

For the quarter ended Sept. 29, Vector reported a loss $600,000 on sales of $550,000. Its stock, traded over the counter, was deleted Friday from the National Association of Securities Dealers Automatic Quotation System because the company no longer meets NASDAQ's minimum net worth requirement of $375,000.

# Japanese Report Sees GNP Growth Of 3.9% in 1986

*Reuters*

TOKYO — The Daiwa Securities Research Institute has forecast that Japan's gross national product will rise by 3.9 percent in the fiscal year beginning April 1, a drop from this year's GNP of 4 percent.

The government has forecast a growth rate of 4 percent for next year and other major research organizations have forecast GNP growth of around 3 percent.

Daiwa said Tuesday that the economy would be sluggish early next year but would pick up sharply later, in line with economic recovery in the United States. GNP is the total measure of the nation's goods and services.

Japan's current account surplus will rise to $57.1 billion from $52.1 billion this year, the institute said. Current account measures trade in goods and services as well as interest, dividends and certain transfers.

Daiwa's forecast assumes that the average value of the yen would *be be 191 to the dollar in the next* fiscal year, a significant drop from this year's 222 yen to the dollar. It also is based on the presumption that there will be a Japanese official discount rate cut of half a point in April and July 1986.

# Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

*Via The Associated Press*

## A

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 6⅝ | 3⅝ | ADI n | | | | 57 | 5½ | 5⅜ | 5½ | — ⅛ |
| 18 | 5¾ | AL Lab s | .16 | 1.0 | 18 | 51 | 15⅝ | 15¼ | 15¼ | — ¼ |
| 14⅜ | 9 | AMC s | .10 | .9 | 16 | 2 | 11¼ | 11¼ | 11¼ | + ⅛ |
| 5⅞ | 2⅝ | AM Intl | | | 11 | 1247 | 5⅝ | 5½ | 5⅝ | — ¼ |
| 4 | 3⅝ | AOI n | | | | 101 | 3⅝ | 3⅝ | 3⅝ | |
| 94 | 79⅝ | ATT Fd | 5.52e | 6.0 | | 35 | 92⅛ | 91¾ | 91¾ | —1¼ |
| 6 | 2⅝ | AcmePr | | | | 20 | 2¼ | 2¼ | 2¼ | |
| 11½ | 9¼ | AcmeU | .32 | 2.8 | 32 | 11 | 11⅜ | 11⅜ | 11⅜ | + ⅛ |
| 18⅜ | 9¾ | Action | | | 15 | 29 | 12⅝ | 12⅝ | 12⅝ | |
| 5⅝ | 1⅛ | Acton | | | | 94 | 1½ | 1⅜ | 1½ | + ⅛ |
| ⅞ | ⅛ | Actn wt | | | | 7 | ⅛ | ⅛ | ⅛ | |
| 4¼ | 1⅛ | AdmRs | | | 7 | 13 | 2⅝ | 2⅝ | 2⅝ | |
| 30¼ | 22¼ | AdRusl | .16 | .6 | 17 | 38 | 26⅛ | 25⅞ | 26⅛ | + ⅜ |
| 8 | 3⅝ | Aeronc | | | | 162 | 4 | 3⅞ | 4 | + ¼ |
| 57 | 30¾ | AlliPb s | .60 | 1.1 | 23 | 25 | 54½ | 53½ | 54⅛ | — ⅜ |
| 8¾ | 5⅝ | AirExp | | | | 22 | 7½ | 7¼ | 7¼ | — ¼ |
| 12 | 7¼ | AirCal | | | 9 | 32 | 7⅝ | 7⅜ | 7¼ | — ½ |
| 13¾ | 9¾ | ArCal pf | 1.20 | 11.0 | | 32 | 10⅞ | 10¾ | 10⅞ | |
| 3⅝ | ¼ | Alamco | | | | 70 | ¼ | ¼ | ¼ | |
| 118 | 65½ | Alamito | | | 11 | 270 | 117½ | 117⅜ | 117⅜ | + ⅛ |
| 9⅛ | 5⅛ | AlbaW | | | | 17 | 6¼ | 6¼ | 6¼ | — ⅛ |
| 3½ | 1⅜ | AlnTre | | | | 23 | 1⅝ | 1½ | 1⅝ | + ¼ |
| 11 | 5⅝ | Aloha | | | | 47 | 10⅝ | 10½ | 10⅝ | |
| 14¼ | 8 | Alphain | .05t | | | 268 | 10⅞ | 10⅝ | 10⅝ | |
| ⅞ | ¼ | Altex n | | | | 1084 | ⅜ | ⅜ | ⅜ | |
| ⅝ | | Altex wt | | | | 1 | | | | |
| 36 | 31 | Alcoa pf | 3.75 | 10.7 | | 300z | 35 | 35 | 35 | |
| 34⅞ | 18¼ | AlzaCp | | | 42 | 648 | 29 | 28 | 28¼ | — ¼ |
| 4 | 2 | AmBrit | .08 | 3.0 | | 6 | 2⅝ | 2½ | 2⅝ | + ¼ |

## C

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 12⅞ | 7¼ | CMI Cp | | | 8 | 328 | 7¾ | 7½ | 7½ | — ⅛ |
| 3¼ | ⅝ | CMX Cp | | | | 171 | ⅞ | ⅞ | ⅞ | |
| 9⅛ | 7⅝ | CSS n | | | | 47 | 8⅝ | 8⅝ | 8½ | + ¼ |
| 14¼ | 9 | CaesNJ | | | 16 | 20 | 12½ | 11½ | 11½ | — ½ |
| 8⅛ | 4½ | CagleA | | | 6 | 1 | 7¼ | 7¼ | 7¼ | + ⅛ |
| 14⅝ | 10⅜ | CalRE | 1.28 | 11.0 | 8 | 39 | 11⅞ | 11⅝ | 11⅝ | — ⅛ |
| 9½ | 6½ | Calprop | .86t | 10.6 | 20 | 10 | 8⅛ | 8 | 8⅛ | + ⅛ |
| 3 | 1⅛ | Camanl | | | | 17 | 1¼ | 1¼ | 1¼ | |
| 17½ | 13¼ | CMarc g | .28 | 1.9 | | 9 | 15⅝ | 15⅛ | 15⅛ | — ⅛ |
| 23¼ | 16⅝ | CdnOcc | .64 | | | 1 | 18 | 18 | 18 | + ¼ |
| 55½ | 27½ | CWine | | | 11 | 41 | 53¾ | 53 | 53¾ | |
| 13 | 4⅞ | CardiH | | | 10 | 2 | 11¼ | 11⅛ | 11⅛ | |
| 3 | 1¼ | Cardil | | | | 41 | 1½ | 1⅜ | 1½ | + ⅛ |
| 15⅞ | 8¼ | CareB | | | 16 | 1 | 14¼ | 14¼ | 14¼ | + ⅛ |
| 15⅞ | 8¼ | CareA | .10 | .7 | 16 | 12 | 14¼ | 14⅛ | 14¼ | + ⅛ |
| 8¾ | 5⅝ | CareE B | | | 15 | 24 | 6⅝ | 6⅜ | 6½ | |
| 8¼ | 5½ | CareE A | | | 13 | 1 | 5⅝ | 5⅝ | 5⅝ | + ⅛ |
| 48⅞ | 38 | CaroP pf | 5.00 | 10.6 | | 100z | 47 | 47 | 47 | |
| 5⅛ | 2 | Casblan | | | | 27 | 2¾ | 2⅝ | 2¾ | |
| 32⅞ | 25⅝ | CasFd | 2.20a | 8.3 | | 11 | 26⅝ | 26⅜ | 26½ | + ⅛ |
| 6⅝ | 2 | CastInd | | | | 47 | 2⅝ | 2½ | 2⅝ | + ¼ |
| 9⅝ | 4⅝ | Centenl | | | | 11 | 9⅛ | 9 | 9⅛ | + ¼ |
| 14⅝ | 11¼ | CentSe | 1.57e | 11.6 | | 13 | 13½ | 13½ | 13½ | |
| 17 | 14⅝ | CtryBu | | | 14 | 2 | 15⅝ | 15¼ | 15¼ | — ⅛ |
| 9⅛ | 5⅝ | Cetec | .20 | 2.8 | 18 | 10 | 7¼ | 7¼ | 7¼ | + ⅛ |
| 4 | 1½ | ChmpH | | | 25 | 961 | 1⅝ | 1⅜ | 1⅝ | + ⅛ |
| 19⅝ | 13 | ChmpP | .72 | 3.8 | 18 | 11 | 19⅛ | 19 | 19 | + ¼ |
| 29⅛ | 16⅞ | ChfMA s | .16 | .8 | 15 | 195 | 20⅝ | 20¼ | 20½ | |
| 29 | 18 | ChtMB s | .16 | .7 | 16 | 7 | 21½ | 21½ | 21½ | — ¼ |
| 21¼ | 16⅞ | ChiRv | 1.20a | 6.0 | 12 | 3 | 19⅞ | 19⅞ | 19⅞ | |
| 10¾ | 6⅝ | ChfDv g | | | | 89 | 9 | 8⅞ | 8⅞ | — ⅛ |
| 38¼ | 18 | Chilton | .17 | .5 | 29 | 52 | 33 | 32⅝ | 32⅝ | |
| 36 | 14¾ | Citadel | | | 5 | 216 | 34¼ | 33⅝ | 33⅝ | — ¼ |
| 36⅜ | 21⅞ | CitFst | 1.00b | 2.9 | 10 | 42 | 35¼ | 34⅝ | 35 | + ¼ |
| 58 | 37¼ | CitFst pf | 2.50 | 4.3 | | 3 | 58 | 58 | 58 | |
| 33¼ | 20¾ | CtyGas | 1.20 | 3.7 | 10 | 5 | 33 | 32⅞ | 32⅞ | — ⅛ |
| 50⅝ | 36⅛ | Clarmt | 1.93e | 3.8 | | 31 | 50½ | 49¾ | 50⅝ | — ⅜ |
| 12⅞ | 7¼ | ClarkC | .30e | 2.9 | 13 | 2 | 10½ | 10⅜ | 10½ | |
| 45 | 28⅞ | Clarost | .85a | 2.6 | 8 | 48 | 33⅛ | 31½ | 32¾ | +1 |
| 22⅛ | 11¼ | Clopay s | .16 | 1.0 | | 18 | 15½ | 15¼ | 15¼ | — ⅜ |
| 6⅝ | 3⅝ | Cognitr | | | 78 | 4 | 3⅝ | 3⅝ | 3⅝ | |
| 10⅞ | 7⅝ | Cohu | .20 | 2.1 | 9 | 21 | 9½ | 9¼ | 9½ | + ¼ |
| 5¾ | 2 | ColF wt s | | | | 71 | 4½ | 4⅛ | 4½ | + ⅛ |
| 25⅞ | 9⅞ | Comfed | | | 6 | 57 | 24½ | 24 | 24½ | + ¼ |
| 11¼ | 7⅛ | Cominc | .16 | | | 14 | 8⅛ | 8 | 8⅛ | |

## F

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 12⅞ | 8½ | FFA | | | 49 | 2 | 10⅜ | 10⅜ | 10⅜ | |
| 19½ | 6¼ | FairFin | | | 13 | 27 | 19¼ | 18⅞ | 18⅞ | — ⅜ |
| 4⅝ | 1⅝ | FairmC | | | | 1 | 1⅜ | 1⅜ | 1⅜ | + ⅛ |
| 19 | 15 | Farly pf | .47t | 3.0 | | 48 | 15⅝ | 15⅝ | 15⅝ | — ⅛ |
| 9½ | 3⅝ | Fidata | | | | 42 | 5⅛ | 5 | 5⅛ | |
| 10⅛ | 9⅝ | FtAust n | | | | 269 | 9¾ | 9⅝ | 9¾ | |
| 6⅝ | 1⅝ | FCapHd | | | | 182 | 5⅞ | 5⅝ | 5⅝ | — ⅛ |
| 12⅞ | 9⅞ | FtConn | 1.80a | 8.5 | 8 | 1 | 11¾ | 11¾ | 11¾ | + ⅛ |
| 15½ | 11 | FWymB | .80 | 5.9 | 13 | 6x | 13⅝ | 13⅝ | 13⅝ | + ⅛ |

## J

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 16¼ | 11 | Jaclyn | .50b | 4.3 | 11 | 11 | 11½ | 11½ | 11½ | + ⅛ |
| 7⅝ | 5⅛ | Jacobs | | | 16 | 399 | 7 | 6⅝ | 7 | +1⅛ |
| 4⅝ | 2¼ | JetAm | | | 6 | 40 | 3 | 3 | 3 | |
| 9⅝ | 6⅝ | Jetron | .71t | 9.0 | 13 | 27 | 7⅝ | 7⅝ | 7⅝ | — ⅛ |
| 6½ | 2½ | JohnPd | | | | 286 | 3⅝ | 2¾ | 3⅛ | — ½ |
| 11⅝ | 5 | JohnAm | .30 | 4.6 | 9 | 55 | 6⅝ | 6¼ | 6½ | + ¼ |
| 11⅜ | 6 | JohnInd | | | 3 | 54 | 8⅝ | 8⅝ | 8⅝ | — ⅛ |
| 6⅝ | 2½ | JumpJk | | | 21 | 11 | 3⅝ | 3⅝ | 3⅝ | |

## P

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 47⅞ | 38¼ | PacLt pf | 4.75 | 10.7 | | 100z | 44¼ | 44¼ | 44¼ | — ¾ |
| 50¼ | 40 | PacLt pf | 5.00 | 10.6 | | 50z | 47¼ | 46¼ | 47¼ | + ½ |
| 45 | 37¼ | PallCp | .48 | 1.1 | 23 | 114 | 43⅛ | 42⅞ | 43⅛ | + ⅜ |
| 9⅛ | 5½ | Pantast | | | | 56 | 8⅝ | 8½ | 8⅝ | — ⅛ |
| 35½ | 18 | ParkCh | 1.03a | 3.3 | 11 | 7 | 30⅛ | 29⅞ | 31⅛ | + ⅜ |
| 13½ | 4⅛ | PatTch | | | 33 | 100 | 5⅝ | 5⅛ | 5¼ | — ¼ |
| 13¾ | 6⅝ | PaulPt | | | 13 | 35 | 9¼ | 9¼ | 9¼ | |
| 5⅝ | 2½ | PayFon | | | 48 | 39 | 3⅛ | 3⅛ | 3⅛ | — ⅛ |
| 11⅞ | 8¼ | PeerTu | .40b | 4.2 | 13 | 7 | 9¼ | 9⅛ | 9⅛ | + ⅛ |
| 45½ | 23 | PenEM | .60 | 2.2 | 12 | 2 | 27⅝ | 27¼ | 27¼ | + ⅛ |
| 28⅞ | 16⅞ | PenTr | 1.20 | 4.5 | 10 | 21 | 26⅝ | 26⅛ | 26⅛ | |
| 1⅝ | ⅛ | PE Cp | .25t | 57.1 | | 405 | | | | |

## Y

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 8⅝ | 5⅝ | YankCo | | | 10 | 52 | 6⅝ | 6⅛ | 6⅝ | |

## Z

| 12 Month High | Low | Stock | Div. | Yld. | PE | Sls. 100s | High | Low | Close Quot. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 6⅝ | 3⅝ | Zimer | .05t | | | 13 | 5⅛ | 5 | 5 | — ⅛ |

# AMEX Highs-Lows

NEW HIGHS 10

Binks Mfg
NWidPict n
Telon Rnch
Firstcorp s
OhioArt Co
UnAirPrd
GormanRup s
SeabrdCp
HubelA s
SCE 145pf

NEW LOWS 11

AngelesFn n
Lodge Ship
StatesPot
CrystalOil
MidAmInd
USR Indust
Hitcrelnt n
Sierrocin
Wilson Bro
LaerPtPer
Sondrtift n

# Brunei Plans to Diversify Its Oil-Based Economy

*Agence France-Presse*

KUALA LUMPUR — Brunei has announced a plan to diversify its oil-based economy, according to the Bernama news agency.

It quoted the country's minister of development, Pehin Awang Abdul Rahman Mohamed, as saying Tuesday that the $1.8-billion proposal would be spread over five years, starting next year.

He said that the uncertainty in oil prices and the country's heavy dependence on petroleum for income left it no alternative but to develop its other exports.

However, an official of the Brunei Economic Planning Unit said the country would maintain its oil production at 150,000 barrels a day until 1988.

The plan includes the setting up of a development bank and a monetary authority.

Brunei, with a population of only 200,000, has one of the highest per capita incomes in the world.

## ADVERTISEMENT

# INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Dec. 24, 1985

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) – daily; (w) – weekly; (b) – bi-monthly; (r) – regularly; (i) – irregularly.

**AL MAL MANAGEMENT**
-(w) Al-Mal Trust, S.A. $ 197.58
**BANK JULIUS BAER & CO. Ltd.**
-(d) Baerbond SF 934.75
-(d) Conbar SF 1334.00
-(d) Equibaer America $ 1232.000
-(d) Equibaer Europe SF 1980.800
-(d) Equibaer Pacific SF 1207.80
-(d) Grobar SF 1099.00
-(d) Stockbar SF 1779.80
**BNP INTERFUNDS**
-(w) Interbond Fund $ 132.59
-(w) Intercurrency US$ $ 10.29
-(w) Intercurrency DM DM 30.58
-(w) Intercurrency Sterling £ 10.35
-(w) Interequity Pacific Offer $ 11.17
-(w) Interequity N. Amer. Offer $ 10.78
**BANQUE INDOSUEZ**
-(d) Asian Growth Fund $ 12.01
-(w) Diverbond SF 82.85
-(w) FIF-America $ 18.41

-(w) Long Term $ 25.88
**F&C MGMT. LTD. INV. ADVISERS**
1, Laurence Pountney Hill, EC4. 01-623-4680
-(w) F&C Atlantic $ 13.98
-(w) F&C European $ 16.47
-(w) F&C Oriental $ 33.01
**FIDELITY POB 670, Hamilton Bermuda**
-(m) FAA Holdings $ 78.26
-(d) Fidelity Amer. Assets $ 78.26
-(d) Fidelity Australia Fund $ 11.26
-(d) Fidelity Discovery Fund $ 11.08
-(d) Fidelity Dir. Svgs. Tr. $ 128.92
-(d) Fidelity Far East Fund $ 25.20
-(d) Fidelity Int'l. Fund $ 81.58
-(d) Fidelity Orient Fund $ 33.72
-(d) Fidelity Frontier Fund $ 15.69
-(d) Fidelity Pacific Fund $ 154.36
-(d) Fidelity Spcl. Growth Fd. $ 16.48
-(d) Fidelity World Fund $ 40.65
**FORBES PO B887 GRAND CAYMAN**
London Agent 01-839-3013

-+(w) Lloyds Int'l Growth SF 178.70
-+(w) Lloyds Int'l Income SF 321.00
-+(w) Lloyds Int'l N. America $ 111.30
-+(w) Lloyds Int'l Pacific SF 133.60
-+(w) Lloyds Int'l. Smaller Cos. $ 15.81
**NIMARBEN**
-(d) Class A $ 95.22
-(w) Class B - U.S. $ 114.18
-(w) Class C - Japan $ 101.92
**OBLIFLEX LIMITED**
-(w) Multicurrency $ 13.12
-(w) Dollar Medium Term $ 11.65
-(w) Dollar Long Term $ 12.33
-(w) Japanese Yen $ 13.60
-(w) Pound Sterling £ 10.90
-(w) Deutsche Mark DM 10.96
-(w) Dutch Florin FL 10.68
-(w) Swiss Franc SF 10.23
**ORANGE NASSAU GROUP**
PB 85578, The Hague (070) 469670
-(d) Bever Beleggingen++ $ 32.80

(d) D. Witter Wld Wide Ivt Tst. $ 12.72
(r) Drakkar Invest. Fund N.V. $
(d) Dreyfus America Fund $
(d) Dreyfus Fund Int'l. $
(w) Dreyfus Intercontinent $
(w) The Establishment Trust $
(d) Europe Obligations Ecu
(w) First Eagle Fund $
(r) Fifty Stars Ltd. $
(w) Fixed Income Trans $
(w) Fonselex Issue Pr. SF
(w) Forexfund $
(w) Formula Selection Fd. SF
(d) Fonditalia $
(d) Frankf-Trust Interzins DM
(w) George V INV. BOND F. $
(d) Governm. Sec. Funds $
(w) Hausmann Hldgs. N.V. $
(w) Heslia Funds $
(w) Horizon Fund $
(m) IBEX Holdings Ltd. SF

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# usinessmen in India ebate Tax Crackdown

(Continued from Page 7)

"that we don't have to worry it anyone's political clout. It is y different from the old days one had to be careful whose one was stepping on."

e raids have received enor- s publicity and contributed to Gandhi's reputation as a n" politician, although it re- s unclear how many of those ted will be convicted. But of those sympathetic to the down say that the rights of the dants have been trampled.

nder pressure from the busi- community, Mr. Singh said government would no longer ot the names of those arrest-

haps the biggest criticism of aids has been that they have ooked what all experts agree is jor aspect of the black econo- – the flow of cash for payoffs, acks, bribes and "contribu- " to bureaucrats and politi-

its recently issued 602-page rt on the underground econo- he National Institute of Public nce and Policy — a semianton- us group within the Finance stry — said that this form of ption had "greatly worsened" cent years.

e institute found that a major ce of black money came from siphoned off for bribes and backs on government expendi- s for construction projects, wel- programs and other ventures. also said that bribes to govern- t officials are routinely paid by viduals and businesses nowa- to obtain jobs, contracts and services as electricity, tele- e connections and irrigation

t's easy to avoid taxes by falsi- your books and bribing your through the Income Tax De- ment," a businessman said in terview. "I have friends in the ing business who make huge unts of money and pay no tax- all."

he institute study also estimat- hat perhaps 30 percent of the of the 1980 parliamentary elections was funded by black money. There was no estimate for the 1984 election, which was won by Mr. Gandhi and the ruling Congress (I) Party.

A "prime cause of black-income generation" is the need for cash to make such "contributions," the institute study commission said.

Mr. Singh was asked why investigators had not arrested any prominent politicians participating in this system. He said only that "at some stage" the government would have to finance elections to free the system of corruption.

Part of the debate over the raids is the question of whether they will have any lasting effect. Some experts point out that raids had been increased in the past, and that these were followed by a resumption of the old activities.

Mr. Singh contended that the raids have already begun to work. He said tax revenues in India had surged more than 20 percent this year because of stepped-up tax enforcement and increased economic growth resulting from Mr. Gandhi's tax cuts.

One decade ago, the marginal income tax rate in India was as high as 75 percent. Mr. Gandhi lowered it this year to 50 percent, from 62 percent, and there is talk it could go down to 40 percent as early as next year. Corporate taxes, licensing requirements and regulations also have been cut.

In interviews, several businessmen said they detected some change in business attitudes toward taxes, but that it was too early to say if the change would be permanent.

"I think a lot more people are going to pay more taxes, with both these raids and with tax rates coming down," one executive said. "A friend of mine who owns two shops said it would be worth paying more just to avoid all this hassle."

A tax consultant said: "My clients tell me this year that they want to show much higher income than last year. I tell them, 'Don't overdo it, because the authorities will definitely ask awkward questions about this sudden accumulation of wealth.' "

## *Prices in Brazil Up 234% in '85*

*Reuters*

RIO DE JANEIRO — Inflation in Brazil reached a record 233.7 percent this year as consumer prices increased 13.4 percent in December, according to statistics released Tuesday by the Planning Ministry.

The previous inflation record, 208.8 percent, was set in 1984. Most of the upward pressure this year came from the prices of agricultural products, which increased 280 percent.

An index used by the independent Getulio Vargas Foundation also is expected to show an inflation rate of more than 230 percent for 1985, sources in the organization said.

# End-of-Year Strategies

(Continued from Page 7)

according to Thomson McKinnon Securities Inc.

One approach calls for buying a put option on the long stock that already is owned by the investor. A put contract gives the buyer a right to sell a specified number of shares of a stock at a set price within a certain period.

"Another way to protect the gain from market risk is to write, or sell, a call option on the stock owned," the brokerage firm said. "By writing a call option, you give the buyer a right to purchase your stock at a 'strike price' for a specific period of time for which you receive a premium."

Option-related techniques of protecting market gains, however, are more complicated than the more straightforward method of shorting against the box. Thus, investors who may wish to utilize these approaches should first investigate all of the possible permutations of the options market.

Moreover, since options are generally available only in the larger and better-known stocks, the techniques cannot be used on many smaller stocks.

# Shake-Up Brings Faster Pace, Soaring Pay to London Market

(Continued from Page 7)

into a market with fewer but larger and more diversified companies. The hope is that a handful of world-scale British firms will emerge in a few years as toe-to-toe competitors with the likes of Merrill Lynch and its Wall Street brethren.

Although economic logic is the underpinning for the market opening, the City of London is a turbulent, anxiety-ridden place these days. Many view the the preparations for wholesale deregulation as speculation because of uncertainty about the brave new world that the City will enter with the "Big Bang."

Alan Morgan, a partner of McKinsey & Co., sees evidence of a broader breakdown in the traditional "village culture" of the City.

"The gentleman's agreement approach was seen to be increasingly out of step with what's happening in the international capital markets and with business realities," he said.

The changes already are evident. The pace in the City has quickened dramatically, and there is greater emphasis on performance. Compensation is increasingly linked to results. Workdays tend to start earlier and end later. Lunches are shorter. The drinks are fewer.

*Salaries also have risen.* Traders are now most in demand, and their average compensation has quadrupled in the past two years, according to recruiters. Bonuses for signing some traders have ranged up to $2 million.

"There simply is no limit" to what they can make, said Mr. Gibbs, president of the recruiting firm Directorship Appointments.

Whatever the shape of the new City, the biggest global names in the banking and securities industries want part of it. Outsiders that have bought stakes in British brokers and dealers include Citicorp, Chase Manhattan, Shearson Lehman Brothers, Credit Suisse, Deutsche Bank, Union Bank of Switzerland and the Hong Kong & Shanghai Bank.

Foreigners are allowed to purchase British brokers gradually and currently may own up to 29.9 percent of a British firm. That stake can be increased to 100 percent starting next March.

So far, nearly 100 British and foreign firms have been included in deals.

The buyers are seeking both entree into new businesses and easier access to London's important equity market. The sellers need extra capital backing, which can be supplied by well-heeled foreign parents, to survive in the unregulated game.

The amount paid by both British and foreign buyers is expected to reach more than $2 billion by the end of next year, when 100 percent ownership is allowed.

With new firms arriving and trading expected to rise after the Big Bang, office space in London's financial district has become scarce and expensive.

A consortium led by Credit Suisse-First Boston and Morgan Stanley is planning to build a "second City" two miles away in an undeveloped dock area on the Thames River called the Isle of Dogs.

The proposed $2.2 billion project, dubbed Canary Wharf, would include three tower blocks, shops, apartments, roads and parking.

The ripples of the revolution extend well beyond the City of London.

In Britain, the opening up of the capital markets has increased opportunities and competition for all the players in the financial markets. Institutional investors, for example, are now far more aggressive in seeking quick profits and are willing to sell their shares more often.

Another byproduct is the recent rash of hostile takeovers in Britain. Institutional shareholders who were once loyal to management are becoming less and less so. Their role is critical because they own more than two-thirds of British shares.

The Continent also is feeling the change. West Germany, France, the Netherlands and Norway have all announced steps to liberalize their capital markets in recent months.

"In the European markets, London is clearly the pace-setter for financial liberalization," said David F. Lomax, chief economic adviser for the National Westminster Bank.

The rush toward deregulation in London is partly a game of catch-up. By the early 1980s, it had become apparent that the British securities industry was lagging behind the global financial revolution, particularly with developments in the United States.

Clear divisions traditionally have existed here between different types of institutions and fixed commissions on trades. Merchant banks managed portfolios and handled corporate finance and international trade financing. Brokers sold stock and so-called jobbing firms executed the trades.

Because the fees collected at each stage of a transaction increased costs to the investors, trading in British equities slipped overseas to more efficient markets. Today, the shares of some big English companies are traded more actively on Wall Street than on the London Stock Exchange.

The Thatcher government recognized that the globalization of financial markets was an irresistible force. It reasoned that without deregulation, the City of London, hailed as Britain's "fringe of prosperity," might become just another declining English industry.

Britain already had a striking example within its borders of the growth potential of a lightly regulated market. Sales of Eurobonds, securities issued outside the home country of the borrower, have grown from $48 billion in 1983 to an estimated $120 billion this year.

In 1983, the government used a seven-year-old anti-monopoly suit against the London Stock Exchange as a lever for change, offering to drop the suit in return for an end to fixed commissions. The deal was struck and abolishment was scheduled for October 1986.

In the United States, the advent of negotiated commissions in May 1975 brought a sharp decline in commission rates on stock trading and a shakeout in the securities business. But the change also boosted trading volume and profits for the diversified financial giants that survived.

The extent to which the Wall Street experience will serve as a guide is uncertain.

For one thing, London's deregulation is broader in scope. Not only are fixed commissions being abolished, but also the barriers separating the activities of different kinds of financial institutions.

The partial acquisitions already completed have given big British commercial banks, such as National Westminster and Barclays, and merchant banks, such as Morgan Grenfell, Kleinwort Benson Ltd. and S. G. Warburg & Co., positions in the brokerage business.

Because such combinations are taboo in the United States, American banks such as Chase and Citibank are coming to London to test the waters.

"Getting rid of fixed commissions in the U.S. was a relatively minor development compared to what is going on here," said John M. Hennessy, chief executive of Credit Suisse-First Boston Ltd.

Much of what happens in London depends on how active the markets are as the deregulation goes completely into effect late next year. If a worldwide deflation takes place, the assumption that thinner margins will be offset by higher volume may not prove accurate.

Another major question is the degree of impact that the big international concerns, especially the American banks and securities houses, will have on the market.

The consensus seems to be that the adjustment will come in two stages. First, a shakeout will follow the consolidation that is now under way and probably will last for the next two to three years.

Second, the new firms that emerge will focus their efforts with leaders developing in such areas as stock trading and dealing in British government securities or "gilts."

Ultimately, the theory that unregulated markets generate greater wealth and employment should hold, most securities executives say. "But the road to that higher ground," one London investment banker said, "will be littered with bodies."

How many of the winners will be British is another question. As the market is internationalized, some City firms will find it difficult to compete, especially with the capital-rich American securities houses.

In merchant banking, for example, the roughly 15 firms may be weeded down to three or four, bankers say. The strongest appear to be S. G. Warburg, Kleinwort Benson and Morgan Grenfell.

Yet there is some doubt about how significant the U.S. companies will be.

While the new environment will force British firms to fight for survival, the stakes will be far lower for U.S. firms. From a Wall Street perspective, the amount of money to be made in London may not be great because the market is much smaller.

The total capitalization of the London market is $290 billion, compared with $1.7 trillion in New York. That means the United States holds 50 percent of the world equity market while Britain holds only 9 percent.

*But for the American firms,* the reasons for enlarging operations in London go beyond an effort to make a dent in quarterly profits.

"London is the center of the international equities market now," said Norman Lawrence, senior vice president of Shearson Lehman Brothers International.

**The changes already are evident. The pace has quickened dramatically. There is greater emphasis on performance. Compensation is linked to results. Workdays start earlier and end later. Lunches are shorter. The drinks are fewer.**

# Tuesday's OTC Prices

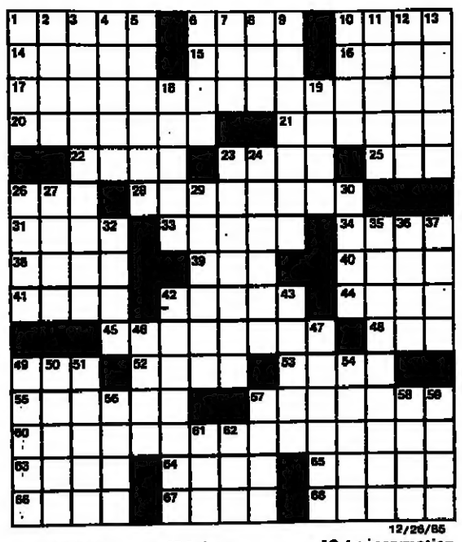
**NASDAQ prices as of 3 p.m. New York time.**

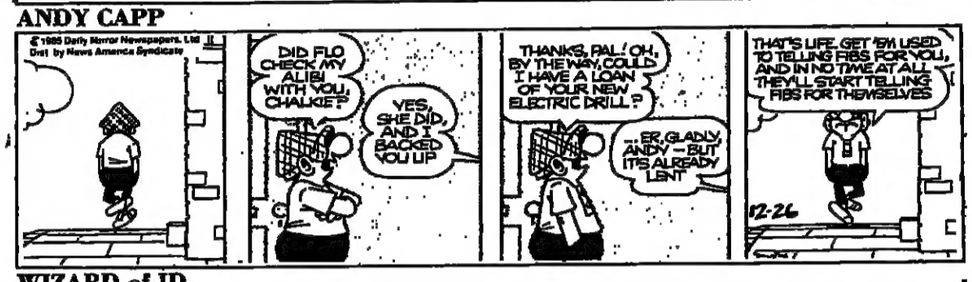
*Via The Associated Press*

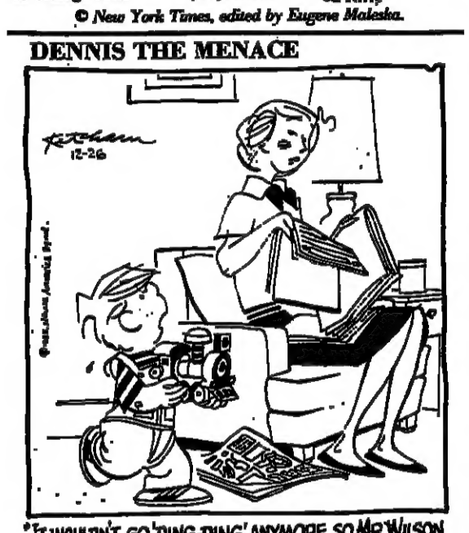
| 12 Month High | 12 Month Low | Stock | Div. | Yld. | Sales in 100s | High | Low | 3 P.M. | Net Ch'ge |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

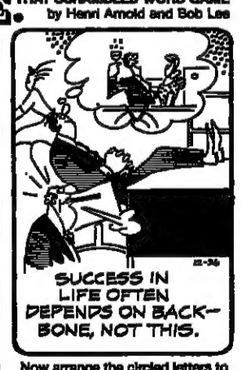
Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

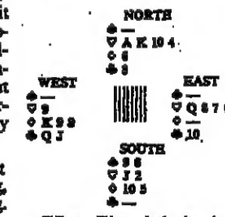
a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

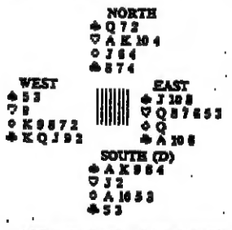












12/26/85

**ACROSS**

1 Had the misery
6 Launching site
10 Ointment
14 Western classic of 1953
15 Exploiter
16 Space
17 Sunup greeting
20 Painter, e.g.
21 Develop a liking for
22 Bulldogs' home
23 Umpire in the Hall of Fame
25 Northern canals
26 City near Jerusalem
28 Of a classification of people
31 Hussein, for one
33 Knock over a joint
34 ". . . —— in Kalamazoo"
38 "Hold the ——!" (diner call)
39 Portray
40 Philippine Moslem
41 Further
42 Nettled
44 Regal display
45 Indulged in raillery
48 Change color
49 Inlet
52 "Oz" star Bert
53 Kind of shark
55 Sainted Archbishop of Canterbury: 1093-1109
57 Sorties
60 Key phrase
63 —— the finish
64 Scat
65 Pigment for Joseph Turner
66 Wine: Comb. form
67 "Quién ——?"
68 Pan capable of flying

**DOWN**

1 Dog star
2 Karate blow
3 Start of a Streisand hit
4 Famous B-29's first name
5 Narrow passage
6 German industrial region
7 Mrs. Gynt
8 Lamed follower
9 Guard
10 Deposit
11 Jefferson's sign
12 Slowly, to Ormandy
13 Mr. —— of cartoons
18 Wheel projections
19 An incarnation of Vishnu
23 Playing marble
24 Founder of antiseptic surgery
26 Dalai ——
27 Buccal
29 Vital center
30 Light source
32 Goldberg's McNutt
35 "——, sweet ladies . . .": Ophelia
36 Coxey's —— at D.C.: 1894
37 Run easily
42 Like Junior's room
43 Breakdown result
46 ". . . —— blue": Browning
47 Small amount
49 Marconi's interest
50 Vapid
51 Nile dam
54 Gobel's wife
56 Within: Comb. form
57 Prunelle flavoring
58 Honor, to Franz
59 Suffix with fib or road
61 Winner's cry
62 Rifle

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## DENNIS THE MENACE

"IT WOULDN'T GO 'DING-DING' ANYMORE, SO MR. WILSON FIXED IT FOR ME, AND NOW IT DOESN'T GO 'CHOO-CHOO' ANYMORE EITHER!"

## JUMBLE. THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

CANKS

TIELE

HAPNOR

WELLOB

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

*Print answer here:* ◯◯◯◯◯◯◯◯

(Answers tomorrow)

Tuesday's | Jumbles: TEASE ABOVE PREFER LUNACY
Wednesday's | Answer: What some wrestling is a form of— BRUTE "FARCE"

## PEANUTS

## BLONDIE

## BEETLE BAILEY

## ANDY CAPP

## WIZARD of ID

## REX MORGAN

## GARFIELD

# BOOKS

## FDR: THE NEW YORK YEARS 1928-1933

*By Kenneth S. Davis. 512 pages. $19.95. Random House, 201 East 50th Street, New York, N. Y. 10022.*

Reviewed by Walter Goodman

THE subtitle of Kenneth S. Davis's second volume of biography of Franklin Delano Roosevelt might be "The Composition of a President." Davis presents Roosevelt in his mid-40s as an unfinished man, possessed of surpassing charm, immense physical courage and instinctive political savvy. But he seemed wanting in commitment to any cause but his own and had little comprehension of the ideological depths into which he was being drawn.

Roosevelt's split political personality, between expediency and reform, is a main theme of "The New York Years 1928-1933." The split was personified by his advisers. Some of them, such as Louis Howe, James Farley and Sam Rosenman, were primarily loyal to the man; others, including Raymond Moley, Rexford Tugwell and Adolf Berle, early members of his "brain trust," were churning out notions for transforming the economy and shaking the power of the big corporations.

Looking ahead to the presidency at an hour of worldwide depression, the potential candidate was confronted with urgent global issues that divided his party — the tariff, the gold standard, the League of Nations. At home, there were farm disasters, bank failures, crushing unemployment and a spreading mistrust of the system. On these and other momentous matters, Roosevelt moved so cautiously that his brain trusters sometimes despaired.

Intellectuals grew somewhat scornful of the governor, and leaders of the left became mistrustful. Although Walter Lippmann supported his election in 1932, it was in a condescending spirit. Norman Thomas saw Roosevelt as personally responsible for the Socialist Party's failure to win more than 3 percent of the vote that year despite the Depression; the new president was a portent of the taming of American radicalism. He dragged his feet until attention to the "forgotten man" became good politics, but when he did act, it was always with high spirits and often with dramatic force.

"The New York Years" is generally readable, despite a few journalistic tics of this sort: "short, thin, sharp-faced, sharp-eyed Basil O'Connor"; "stocky, broad-faced, methodical, industrious Sam Rosenman." And the final few lines, where Davis pulls out all the stops, make one wonder what his editor was doing:

"Farley listened, deeply moved, even awe-struck. The man beside him shone with an inward light.

"And outside the train windows was night.

"Deep, dark, wintry night . . ."

Such organ music does the book a disservice. Davis is no hagiographer. He is an assiduous researcher, a fair-minded analyst and, when not trying too hard, an inviting chronicler.

*Walter Goodman is on the staff of The New York Times.*

### Solution to Previous Puzzle

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E | M | M | A | ■ | S | H | U | L | A | ■ | ■ | T | E | A |
| G | O | O | N | ■ | P | I | N | E | D | ■ | F | R | A | S |
| Y | O | U | N | G | A | N | D | F | O | O | L | I | S | H |
| P | R | E | ■ | E | R | G | O | T | ■ | H | O | M | E | Y |
| T | E | S | T | A | T | E | ■ | ■ | A | W | E | ■ | ■ | ■ |
| ■ | ■ | ■ | I | R | A | ■ | A | N | C | E | S | T | O | R |
| A | B | I | E | ■ | L | E | Y | T | E | ■ | ■ | E | R | I |
| M | I | D | D | L | E | A | G | E | S | P | R | E | A | D |
| I | K | E | ■ | E | N | D | I | T | ■ | ■ | I | S | L | E |
| D | E | S | C | E | N | D | S | ■ | A | P | T | ■ | ■ | ■ |
| ■ | ■ | ■ | O | R | A | ■ | ■ | A | M | I | A | B | L | E |
| S | E | G | U | E | ■ | T | A | C | I | T | ■ | A | I | N |
| A | S | O | L | D | A | S | T | H | E | H | I | L | L | S |
| U | S | E | D | ■ | L | A | T | E | N | ■ | E | S | A | U |
| D | E | S | ■ | ■ | B | R | A | S | S | ■ | R | A | C | E |

12/25/85

## BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

| This Week | | Last Week | Weeks on List |
|---|---|---|---|
| 1 | THE MAMMOUTH HUNTERS, by Jean M. Auel | 1 | 5 |
| 2 | LAKE WOBEGON DAYS, by Garrison Keillor | 2 | 17 |
| 3 | TEXAS, by James M. Michener | 3 | 11 |
| 4 | CONTACT, by Carl Sagan | 4 | 11 |
| 5 | SECRETS, by Danielle Steel | 5 | 5 |
| 6 | THE POLAR EXPRESS, by Chris Van Allsburg | — | 1 |
| 7 | GALAPAGOS, by Kurt Vonnegut | 7 | 10 |
| 8 | WORLD'S FAIR, E.L. Doctorow | 8 | 6 |
| 9 | THE SECRETS OF HARRY BRIGHT, by Joseph Wambaugh | 6 | 12 |
| 10 | SKELETON CREW, by Stephen King | 13 | 27 |
| 11 | THE CAT WHO WALKS THROUGH WALLS, by Robert A. Heinlein | 10 | 6 |
| 12 | THE ACCIDENTAL TOURIST, by Anne Tyler | 9 | 14 |
| 13 | WHAT'S BRED IN THE BONE, by Robertson Davies | 11 | 3 |
| 14 | LUCKY, by Jackie Collins | — | 17 |
| 15 | THE VAMPIRE LESTAT, by Anne Rice | 12 | 6 |

NONFICTION

| This Week | | Last Week | Weeks on List |
|---|---|---|---|
| 1 | YEAGER: An Autobiography, by Chuck Yeager | 1 | 24 |
| 2 | IOCOCCA: An Autobiography, by Lee Iococca | 2 | 60 |
| 3 | I NEVER PLAYED THE GAME, by Howard Cosell | 3 | 10 |
| 4 | ELVIS AND ME, by Priscilla Beaulieu Presley | 4 | 14 |
| 5 | ON THE ROAD WITH CHARLES KURALT, by Charles Kuralt | 6 | 11 |
| 6 | DANCING IN THE LIGHT, Shirley MacLaine | 5 | 13 |
| 7 | HOUSE, by Tracy Kidder | 7 | 9 |
| 8 | ANSEL ADAMS, by Ansel Adams with Mary Street | 8 | 3 |
| 9 | SHOOT LOW, BOYS — THEY'RE RIDIN' SHETLAND PONIES, by Lewis Grizzard | 10 | 4 |
| 10 | ONLY ONE WOOF, by James Herriot | 9 | 6 |
| 11 | "YOU *can* FOOL ALL OF THE PEOPLE ALL OF THE TIME," by Art Buchwald | — | 1 |
| 12 | MADE IN AMERICA, by Peter Ueberroth with Richard Levin and Amy Quinn | 12 | 3 |
| 13 | A LIGHT IN THE ATTIC, by Shel Silverstein | 13 | 148 |
| 14 | CHARLES & DIANA, by Ralph G. Martin | 14 | 6 |
| 15 | COMMON GROUND, by Anthony J. Lukas | - | 11 |

ADVICE, HOW-TO AND MISCELLANEOUS

| This Week | | Last Week | Weeks on List |
|---|---|---|---|
| 1 | TO BE (HAPPY) ATTITUDES, by Robert Schuller | 2 | 7 |
| 2 | FIT FOR LIFE, by Harvey Diamond and Marilyn Diamond | 1 | 18 |
| 3 | THE FRUGAL GOURMET, by Jeff Smith | 4 | 36 |
| 4 | JANE BRODY'S GOOD FOOD BOOK, by Jane E. Brody | 3 | 3 |
| 5 | CALLANETICS, by Callan Pinckney with Sallie Batson | 5 | 8 |

# BRIDGE

By Alan Truscott

ON the diagramed deal, North and South reached a shaky four-spade contract after West showed minor-suit length with a jump to two no-trump. North's double followed by three spades was intended to be invitational, but South continued to game, perhaps thinking that dummy would be stronger.

A lead of the singleton heart would have been devastating, but West led the club king. East overtook with the ace, and his return of the singleton diamond queen was taken by the ace. South drew trumps ending in his hand and led a diamond on which West had to play low. When the jack won in dummy a club was led, giving West the lead in this position:

NORTH
♠ —
♡ A K 10 4
◇ 6
♣ 8

WEST
♠ —
♡ 9
◇ K 9 8
♣ Q J

EAST
♠ —
♡ Q 8 7 6 3
◇ —
♣ 10

SOUTH
♠ 9 6
♡ J 2
◇ 10 5
♣ —

When West led the heart nine, North found an elegant way to succeed. He put up the heart king, unblocked the jack from this hand and then ruffed a club. The finesse of the heart four then end-played East to make the game.

NORTH
♠ Q 7 2
♡ A K 10 4
◇ J 6 4
♣ 8 7 4

WEST
♠ 5 3
♡ 9
◇ K 9 8 7 2
♣ K Q J 9 2

EAST
♠ J 10 8
♡ Q 8 7 6 5 3
◇ Q
♣ A 10 6

SOUTH (D)
♠ A K 9 6 4
♡ J 2
◇ A 10 5 3
♣ 5 3

North and South were vulnerable. The bidding:

| South | West | North | East |
|---|---|---|---|
| 1 ♠ | 2 N.T. | Dbl. | 3 ♣ |
| Pass | Pass | 3 ♠ | Pass |
| 4 ♠ | Pass | Pass | Pass |

West led the club king.

# WEATHER

**EUROPE**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Algarve | 17 | 63 | 16 | 61 | cl |
| Amsterdam | 9 | 48 | 6 | 43 | cl |
| Athens | 14 | 57 | 6 | 43 | cl |
| Barcelona | 14 | 57 | 7 | 45 | cl |
| Belgrade | 10 | 50 | -2 | 28 | fr |
| Berlin | 5 | 41 | 0 | 32 | r |
| Brussels | 11 | 52 | 6 | 43 | cl |
| Bucharest | -1 | 30 | -3 | 26 | o |
| Budapest | 1 | 34 | -1 | 30 | o |
| Copenhagen | 6 | 43 | 3 | 38 | o |
| Costa Del Sol | 20 | 68 | 10 | 50 | cl |
| Dublin | 6 | 43 | 2 | 36 | r |
| Edinburgh | 6 | 43 | 2 | 36 | r |
| Florence | 9 | 48 | 3 | 38 | cl |
| Frankfurt | 8 | 46 | 4 | 39 | r |
| Geneva | 8 | 46 | 6 | 43 | r |
| Helsinki | 2 | 36 | 2 | 36 | r |
| Istanbul | 10 | 50 | 5 | 41 | o |
| Las Palmas | 21 | 70 | 14 | 57 | o |
| Lisbon | 16 | 61 | 13 | 55 | o |
| London | 7 | 45 | 6 | 43 | sh |
| Madrid | 14 | 57 | 10 | 50 | cl |
| Milan | 3 | 38 | 1 | 34 | r |
| Moscow | 0 | 32 | 0 | 32 | o |
| Munich | 3 | 38 | -5 | 23 | o |
| Nice | 10 | 50 | 8 | 46 | r |
| Oslo | 2 | 36 | 1 | 32 | o |
| Paris | 12 | 54 | 7 | 45 | cl |
| Prague | 1 | 34 | -1 | 30 | o |
| Reykjavik | -4 | 25 | -5 | 23 | cl |
| Rome | 13 | 55 | 5 | 41 | cl |
| Stockholm | 2 | 36 | 2 | 36 | r |
| Strasbourg | 9 | 48 | 4 | 39 | r |
| Venice | 3 | 38 | 0 | 32 | o |
| Vienna | 0 | 32 | 0 | 32 | o |
| Warsaw | 1 | 34 | -5 | 23 | fr |
| Zurich | 5 | 41 | 0 | 32 | r |

**MIDDLE EAST**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Ankara | 0 | 32 | -2 | 28 | o |
| Beirut | — | — | — | — | na |
| Damascus | — | — | — | — | na |
| Jerusalem | 13 | 55 | 1 | 34 | fr |
| Tel Aviv | 17 | 63 | 7 | 45 | fr |

**OCEANIA**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Auckland | 23 | 73 | 16 | 61 | r |
| Sydney | 26 | 79 | 16 | 61 | cl |

**ASIA**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Bangkok | 27 | 81 | 16 | 61 | cl |
| Beijing | 5 | 41 | -5 | 23 | fr |
| Hong Kong | 19 | 66 | 12 | 54 | fr |
| Manila | 30 | 86 | 24 | 75 | fr |
| New Delhi | 21 | 70 | 14 | 57 | o |
| Seoul | 3 | 38 | -2 | 28 | cl |
| Shanghai | 8 | 46 | 0 | 32 | fo |
| Singapore | 30 | 86 | 24 | 75 | st |
| Taipei | 20 | 68 | 14 | 57 | cl |
| Tokyo | 8 | 46 | 3 | 38 | fr |

**AFRICA**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Algiers | 16 | 61 | 6 | 43 | cl |
| Cairo | — | — | — | — | na |
| Cape Town | 20 | 68 | 13 | 55 | fr |
| Casablanca | 17 | 63 | 10 | 50 | cl |
| Harare | 24 | 75 | 17 | 63 | cl |
| Lagos | 30 | 86 | 24 | 75 | o |
| Nairobi | — | — | — | — | na |
| Tunis | 16 | 61 | 8 | 46 | fr |

**LATIN AMERICA**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Buenos Aires | 32 | 90 | 19 | 66 | st |
| Caracas | — | — | — | — | na |
| Lima | 26 | 79 | 15 | 59 | o |
| Mexico City | 21 | 70 | 8 | 46 | cl |
| Rio de Janeiro | — | — | — | — | na |

**NORTH AMERICA**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Anchorage | -1 | 30 | -5 | 23 | pc |
| Atlanta | -5 | 23 | -9 | 16 | pc |
| Boston | 5 | 41 | 2 | 36 | sw |
| Chicago | -14 | 7 | -21 | -6 | pc |
| Denver | 10 | 50 | -5 | 23 | fr |
| Detroit | -13 | 9 | -16 | 3 | fr |
| Honolulu | 26 | 79 | 20 | 68 | fr |
| Houston | 5 | 41 | -3 | 26 | fr |
| Los Angeles | 31 | 88 | 11 | 52 | fr |
| Miami | 20 | 68 | 16 | 61 | pc |
| Minneapolis | -19 | -2 | -27 | -17 | fr |
| Montreal | 3 | 38 | -1 | 30 | cl |
| Nassau | 25 | 77 | 17 | 63 | cl |
| New York | 0 | 32 | -1 | 30 | sw |
| San Francisco | 13 | 55 | 5 | 41 | fr |
| Seattle | 4 | 39 | 0 | 32 | fo |
| Toronto | 1 | 34 | -13 | 9 | fr |
| Washington | 0 | 32 | -12 | 10 | sw |

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

THURSDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Rain. Temp. 6—3 (43—38). LONDON: Showers. Temp. 7—5 (45—41). MADRID: Cloudy. Temp. 15—10 (59—50). NEW YORK: Fair. Temp. -5—-11 (23—12). PARIS: Showers. Temp. 8—6 (46—43). ROME: Rain. Temp. 11—4 (52—39). TEL AVIV: NA. ZURICH: Showers. Temp. 6—3 (43—38). BANGKOK: NA. HONG KONG: NA. MANILA: NA. SEOUL: NA. SINGAPORE: NA. TOKYO: NA.

# World Stock Markets

Dec. 24

*Closing prices in local currencies unless otherwise indicated.*

**Amsterdam**

| | Close | Prev. |
|---|---|---|
| ABN | 588 | 591 |
| ACF Holding | N.A. | 289.50 |
| Aegon | 114.50 | 115.20 |
| Akzo | 142.10 | 142.50 |
| AHold | 85.30 | 86.50 |
| AMEV | 85.50 | 85.20 |
| A'Dam Rubber | N.A. | 9.20 |
| Amro Bank | 109.60 | 110.40 |
| BVG | N.A. | 251 |
| Buehrmann T | 136 | 136.50 |
| Caland Hldg | 29.50 | 29.70 |
| Elsevier-NDU | 188.50 | 193.50 |
| Fokker | 73 | 75 |
| Gist Brocades | 285.50 | 289.50 |
| Heineken | 228.50 | 229 |
| Hoogovens | 79.30 | 80.50 |
| KLM | 52.80 | 53.60 |
| Naarden | 59.30 | 59 |
| Nat. Neder | 87.10 | 87.20 |
| Nedlloyd | 206.50 | 207.50 |
| Oce Vander G | 394 | 397 |
| Pakhoed | 85.80 | 86.20 |
| Philips | 60.80 | 62.10 |
| Robeco | 84.10 | 84 |
| Rodamco | 135.50 | 135.50 |
| Rolinco | 73.30 | 73.60 |
| Rorento | 46.90 | 46.90 |
| Royal Dutch | N.A. | 177.30 |
| Unilever | 401 | 403 |
| Van Ommeren | N.A. | 33.90 |
| VMF-Stork | 266.90 | 268 |
| VNU | 315 | 315 |

ANP.CBS Gen'l Index: N.A.
Previous: 254.20
*Source: Reuters.*

**Brussels**

| | Close | Prev. |
|---|---|---|
| Arbed | 2700 | 2680 |
| Bekaert | N.A. | 8810 |
| Cockerill | 200 | 198 |
| Cobepa | N.A. | 4315 |
| EBES | 3870 | 3870 |
| GB-Inno-BM | 4900 | 5020 |
| GBL | 2215 | 2535 |
| Gevaert | 5040 | 5030 |
| Hoboken | 5730 | 5830 |
| Intercom | N.A. | 3000 |
| Kredietbank | N.A. | 11300 |
| Petrofina | 6700 | 6680 |
| Soc. Générale | N.A. | 2320 |
| Sofina | 8160 | 8210 |
| Solvay | 6100 | 6100 |
| Traction Elec | N.A. | 4975 |
| UCB | N.A. | 5250 |
| Unerg | N.A. | 2325 |
| V Montagne | 5690 | 5700 |

Current Stock Index : N.A.
Previous: 2996.31
*Source: Reuters.*

**Hong Kong**

| | Close | Prev. |
|---|---|---|
| Bk East Asia | 24.20 | 24.10 |
| Cheung Kong | 20.90 | 20.70 |
| China Light | 15 | 14.80 |
| Green Island | N.A. | 7.85 |
| Hang Seng Bk | 45 | 44.50 |
| Henderson | 2.125 | 2.15 |
| China Gas | 13.70 | 13.70 |
| HK Electric | 8.40 | 8.35 |
| HK Realty A | 12 | 11.80 |
| HK Hotels | 34 | 34 |
| HK Land | 6.70 | 6.60 |
| HK Shang Bk | 7.55 | 7.55 |
| HK Telephone | 9.80 | 9.80 |
| HK Yaumatei | N.A. | 3.875 |
| HK Wharf | 7.45 | 7.35 |
| Hutch Whamp | 26.40 | 26.40 |
| Hysan | N.A. | 8.44 |
| Int'l City | 0.98 | 0.99 |
| Jardine | 13.50 | 13.50 |
| Jardine Sec | 14.90 | 14.50 |
| Kowloon Motor | N.A. | 10.10 |
| Miramar Hotel | N.A. | 47 |
| New World | 6.70 | 6.70 |
| SHK Props | 12.60 | 12.40 |
| Stelux | 1.93 | 1.93 |
| Swire Pacific A | 29.90 | 29.90 |
| Tai Cheung | 2 | 1.98 |
| Wah Kwong | 0.88 | 0.82 |
| Wing On Co | N.A. | 1.73 |
| Winsor | 5.05 | 5 |
| World Int'l | 2.475 | 2.475 |

Hang Seng Index: 1717.54
Previous: 1704.39
*Source: Reuters.*

**Johannesburg**

| | Close | Prev. |
|---|---|---|
| AECI | 910 | 915 |
| Anglo Amer. | 3925 | 3950 |
| Anglo Am Gold | N.A. | 20000 |
| Barlows | 1400 | 1410 |
| Blyvoor | 1725 | 1750 |
| Buffels | 8000 | 8125 |
| De Beers | 1625 | 1645 |
| Driefontein | 4925 | 5000 |
| GFSA | 3725 | 3750 |
| Harmony | 3300 | 3325 |
| Hiveld Steel | 600 | 610 |
| Kloof | 2300 | 2350 |
| Nedbank | 800 | 800 |
| Pres Steyn | 5575 | 5800 |
| Rusplat | 2585 | 2590 |
| SA Brews | 820 | 820 |
| St Helena | 4000 | 4000 |
| Sasol | N.A. | 860 |
| West Holding | 7400 | 7550 |

Composite Stock Index: N.A.
Previous: N.A.
*Source: Reuters.*

**Sydney**

| | Close | Prev. |
|---|---|---|
| ACI | 2.80 | 2.80 |
| ANZ | 4.28 | 4.30 |
| BHP | 8.74 | 8.70 |
| Boral | 3.18 | 3.18 |
| Bougainville | 1.90 | 1.92 |
| Castlemaine | N.Q. | 8 |
| Coles | 4.15 | 4.14 |
| Comalco | 1.80 | 1.82 |
| CRA | 5.36 | 5.34 |
| CSR | 3.57 | 3.59 |
| Dunlop | 2.40 | 2.32 |
| Elders Ixl | 2.98 | 3 |
| ICI Australia | 2.20 | 2.16 |
| Magellan | 2.20 | 2.20 |
| MIM | 2.65 | 2.62 |
| Myer | N.Q. | — |
| Nat Aust Bank | 4.60 | 4.60 |
| News Corp | 8.90 | 8.96 |
| N Broken Hill | 2.27 | 2.28 |
| Poseidon | 2.58 | 2.60 |
| Qld Coal Trust | 1.40 | 1.40 |
| Santos | 5.26 | 5.28 |
| Thomas Nation | 2.48 | 2.48 |
| West Mining | 3.17 | 3.15 |
| Westpac Bking | 4.50 | 4.50 |
| Woodside | 1.12 | 1.20 |

All ordinaries Index: N.A.
Previous: 991.30
*Source: Reuters.*

**Tokyo**

| | Close | Prev |
|---|---|---|
| Akai | 399 | 375 |
| Asahi Chem. | 798 | 781 |
| Asahi Glass | 888 | 888 |
| Bank of Tokyo | 760 | 764 |
| Bridgestone | 527 | 521 |
| Canon | 1140 | 1130 |
| Casio | 1810 | 1800 |
| C. Itoh | 401 | 398 |
| Dai Nip. Print | 1380 | 1340 |
| Daiwa House | N.Q. | — |
| Daiwa Sec | 790 | 785 |
| Fanuc | 7380 | 7380 |
| Fuji Bank | N.Q. | — |
| Fuji Photo | 2050 | 2010 |
| Fujitsu | 1120 | 1090 |
| Hitachi | 796 | 770 |
| Hitachi Cable | N.Q. | — |
| Honda | 1220 | 1190 |
| JAL | 8410 | 8280 |
| Kajima | 485 | 480 |
| Kansai Power | 2070 | 2110 |
| Kaw Steel | 137 | 136 |
| Kirin Brewery | 729 | 725 |
| Komatsu | 522 | 493 |
| Kubota | 341 | 352 |
| Kyocera | 4650 | 4530 |
| Matsu El Inds | 1310 | 1380 |
| Matsu El Wks | 870 | 881 |
| Mitsubishi Bk | 1400 | 1480 |
| Mitsubi Chem. | 540 | 536 |
| Mitsubi Elec | 355 | 342 |
| Mitsubi Heavy | 386 | 369 |
| Mitsubishi | 600 | 587 |
| Mitsui & Co | 427 | 430 |
| Mitsukoshi | 630 | 625 |
| Mitsumi | 880 | 880 |
| NEC | 1350 | 1330 |
| NGK Insltrs | N.Q. | — |
| Nikko Sec | 715 | 707 |
| Nipp Kogaku | N.Q. | — |
| Nippon Oil | 795 | 781 |
| Nippon Steel | 157 | 157 |
| Nippon Yusen | 333 | 334 |
| Nissan | 569 | 574 |
| Nomura Sec | 1070 | 1060 |
| Olympus | 1030 | 1010 |
| Pioneer | 1800 | 1790 |
| Ricoh | 1100 | 1100 |
| Sharp | 951 | 926 |
| Shimazu | N.Q. | — |
| Shinetsu Chem | N.Q. | — |
| Sony | 4130 | 4090 |
| Sumitomo Bk | 1660 | 1670 |
| Sumit Chem | 258 | 250 |
| Sumit Marine | 673 | 675 |
| Sumit Metal | 148 | 148 |
| Taisei Corp | 328 | 330 |
| Taisho Marine | 543 | 543 |
| Takeda Chem | 1010 | 970 |
| TDK | 4530 | 4430 |
| Teijin | 493 | 480 |
| Tokio Marine | 891 | 895 |
| Tokyo El Pwr | 2810 | 2840 |
| Toppan Print | 1060 | 999 |
| Toray Ind | 522 | 515 |
| Toshiba | 391 | 380 |
| Toyota | 1210 | 1220 |
| Yamaichi Sec | 745 | 745 |

Nikkei/DJ Index: 13097.93
Previous : 13010.71
New Index: 1043.93
Previous: 1037.97
*Source: Reuters.*

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

# Arco Has Offered to Settle U.S. Price-Control Charges

*New York Times Service*

LOS ANGELES — Atlantic Richfield Co. has offered to pay $225 million to settle U.S. Energy Department charges that the oil company violated federal price controls from the early 1970s to January 1981, the company has disclosed.

In October, the Economic Regulatory Administration of the Energy Department said that Arco owed $239.9 million in overcharges and $259.3 million in interest related to oil trades with smaller companies. The charges totaled $499.2 million.

The smaller companies included Marc Rich & Co., the Swiss-based commodity trading concern, which pleaded guilty in October 1984 to violating federal price controls and other charges and paid a fine of $150 million.

Arco's proposed settlement, which was disclosed Tuesday through a filing with the Securities and Exchange Commission, stated that the company would reduce its fourth-quarter pretax earnings by $225 million or by the amount of any settlement reached with the department.

A spokesman for Arco said the department had not responded to the company's offer. The spokesman declined to say whether Arco had admitted or denied any wrongdoing. "We feel this is a fair settlement," the spokesman said. A spokesman for the Energy Department said that the case still was in litigation and declined to discuss any details.

Wall Street analysts said that the proposed settlement, when combined with the $1.5-billion charges from the company's major restructuring begun in April, would bring Arco a loss of slightly more than $100 million for the year. If the agreement is reached, the yearly loss will be the first ever for Arco.

Despite the size of the loss, analysts said the company has strong operating profits and seems to be in good health because of the huge restructuring. "Price-control allegations tend to be complicated, and the controls themselves were ambiguous," Joel D. Fischer, an analyst with Drexel Burnham Lambert Inc., said. "This will technically go down as a loss, but the market is focusing more on the company's operating earnings. Their operations are still very profitable."

Arco's stock closed at $61.50 Tuesday, down 50 cents on the New York Stock Exchange.

Under the price control program, which was dropped in 1981, companies with access to low-priced supplies of crude oil were required to make payments to companies without access to such supplies. The controls held the prices to an average of about $7 a barrel at a time when uncontrolled oil of the same grade sold for about $30 a barrel.

The allegations against Arco are part of a larger investigation by the Energy Department. In a similar action in March, the department charged the Cities Service Oil and Gas Corp. with violating price controls between 1979 and 1981.

Cities Services, which was acquired by the Occidental Petroleum Corp. for $4 billion in 1982, denied the charges and said it would appeal the case. The government said that Cities Services overcharged for 13 million barrels of oil from wells that were subject to price controls and asked for $509 million in fines and interest. Frank Ashley, a spokesman for Occidental, said that the case was still pending.

**Toronto** Dec. 24

*Canadian stocks via AP*

| Sales | Stock | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| 11 | Abti Prce | $16 | 16 | 16 | — ¼ |
| 3150 | Agnico E | $21⅝ | 21¼ | 21⅜ | + ⅛ |
| 5495 | Alt Energy | $16½ | 16⅜ | 16½ | |
| 6708 | Alta Nat | $15⅝ | 15⅛ | 15⅝ | + ¼ |
| 8218 | Algoma St | $20 | 20 | 20 | |
| 40310 | A Barick o | $9⅝ | 9¼ | 9½ | + ¼ |
| 64594 | Atco I f | $10⅝ | 10⅜ | 10½ | |
| 176 | BP Canada | $31 | 31 | 31 | + ⅜ |
| 15520 | Bank BC | $5¾ | 5⅝ | 5¾ | + ⅛ |
| 43892 | Bank N S | $14½ | 14⅜ | 14⅜ | — ⅛ |
| 100 | Baton A f | $22½ | 22½ | 22½ | |
| 3050 | Bonanza R | 360 | 360 | 360 | — 5 |
| 8000 | Bralorne | 350 | 350 | 350 | +20 |
| 590 | Bramalea | $18⅛ | 18 | 18 | |
| 10000 | Brenda M | $8⅝ | 8⅝ | 8⅝ | — ⅛ |
| 17535 | BCFP | $11⅝ | 11⅝ | 11⅝ | — ⅛ |
| 14935 | BC Res | 206 | 203 | 203 | — 5 |
| 5635 | BC Phone | $26⅛ | 25¾ | 26 | |
| 4400 | CAE | $16⅞ | 16¾ | 16¾ | — ¼ |
| 58398 | CCL B f | $17 | 16⅝ | 17 | + ½ |
| 2800 | Cad Frv | $15⅝ | 15⅛ | 15⅝ | |
| 400 | Campeau f | $26¼ | 26¼ | 26¼ | — ⅛ |
| 436 | C Nor West | $23⅝ | 23⅝ | 23⅝ | |
| 1700 | C Packrs | $36⅜ | 36 | 36¼ | — ⅛ |
| 332 | Can Trust | $42 | 42 | 42 | |
| 100 | CGE | $75 | 75 | 75 | — 1 |
| 6484 | CI Bk Com | $42⅝ | 42⅜ | 42⅝ | + ⅛ |
| 76432 | CTire A f | $11⅝ | 11½ | 11½ | |
| 700 | C Util B | $19⅝ | 19⅝ | 19⅝ | |
| 500 | Cara | $19⅝ | 19⅝ | 19⅝ | + ⅛ |
| 151 | Celanese | $10⅝ | 10⅝ | 10⅝ | + ½ |
| 10 | Centrl Tr | $14⅝ | 14⅝ | 14⅝ | + ⅛ |
| 432 | Cineplex | $10⅞ | 10⅝ | 10⅝ | |
| 2600 | C Distb A | $6¼ | 6¼ | 6¼ | + ⅛ |
| 1500 | CDistb B f | $6⅝ | 6⅝ | 6⅝ | |
| 10030 | CTL Bank | $10⅝ | 10⅛ | 10⅝ | + ⅜ |
| 1900 | Conska R | 250 | 250 | 250 | + 5 |
| 1100 | Conron A | $17¾ | 17¾ | 17¾ | — ⅛ |
| 1500 | Crownx | $22¾ | 22½ | 22¾ | + ¼ |
| 7600 | Czar Res | 210 | 207 | 208 | — 2 |
| 14900 | Daon Dev | 480 | 465 | 470 | —10 |
| 200 | Daon A | 450 | 450 | 450 | —10 |
| 2948 | Denison A p | $15⅛ | 15 | 15 | |
| 610 | Denison B f | $14½ | 14½ | 14½ | + ⅛ |
| 1100 | Develcon | $5⅝ | 5⅛ | 5⅛ | — ⅛ |
| 6500 | Dicknsn A f | $8 | 8 | 8 | + ¼ |
| 200 | Dicknsn B | $8 | 8 | 8 | + ¼ |
| 2291 | Dofasco | $27⅝ | 27⅛ | 27⅛ | + ¼ |
| 3450 | Donohue | $18½ | 18½ | 18½ | |
| 170 | Du Pont A | $28 | 28 | 28 | + ½ |
| 450 | Elcthom X | $7¼ | 7 | 7 | |
| 5700 | Emco | $22½ | 22 | 22½ | + ⅜ |
| 4400 | Equity Svr | $6⅝ | 6⅜ | 6⅝ | + ⅛ |
| 200 | C Falcon C | $15⅝ | 15¼ | 15¼ | |
| 47410 | Ficnbridge | $20⅝ | 20⅜ | 20⅜ | — ⅛ |
| 3500 | Fed Ind A | $13¾ | 13½ | 13½ | — ⅛ |
| 200 | F City Fin | $10⅝ | 10⅜ | 10⅜ | — ¼ |
| 100 | Gandis A | $34¾ | 34⅝ | 34⅝ | — ⅛ |
| 100 | Geac Comp | $7⅝ | 7⅝ | 7⅝ | |
| 1000 | Gibraltar | $9¾ | 9⅝ | 9⅝ | + ⅛ |
| 1000 | Goldcorp f | $6⅞ | 6⅝ | 6⅝ | — ⅛ |
| 200 | Goodyear | $38 | 38 | 38 | |
| 2800 | GL Forest | $19 | 19 | 19 | + ⅜ |
| 1000 | H Group A | $7 | 7 | 7 | |
| 1100 | Hawker | $23⅛ | 23 | 23⅛ | + ⅜ |
| 300 | Hayes D | $12⅞ | 12⅝ | 12⅝ | — ½ |
| 900 | Hees Intl | $23⅞ | 23⅝ | 23⅝ | — ¼ |
| 66 | Hollinger I | $19⅝ | 19⅝ | 19⅝ | — ¼ |
| 3037 | H Bay Co | $24⅞ | 24⅝ | 24⅞ | + ⅛ |
| 22180 | Imasco | $28⅛ | 27⅞ | 28 | + ¼ |
| 500 | Indal | $19 | 19 | 19 | |
| 3200 | Inland Gas | $12 | 11⅞ | 11⅞ | |
| 17900 | Intl Thom | $9⅛ | 9 | 9 | |
| 1100 | Inter Pipe | $43 | 43 | 43 | |
| 3950 | Jannock | $19⅝ | 19⅝ | 19⅝ | + ⅛ |
| 200 | Kerr Add | $15⅝ | 15⅝ | 15⅝ | — ⅛ |
| 825 | Labatt | $30⅝ | 30⅝ | 30⅝ | |
| 1000 | LOnt Cem | $18 | 17⅞ | 18 | + ¼ |
| 2080 | Lacana | $9⅝ | 9⅝ | 9⅝ | |
| 200 | Loblaw Co | $24 | 24 | 24 | |
| 2200 | Lumonics | $17½ | 17⅜ | 17⅜ | + ⅛ |
| 2500 | MICC | 360 | 350 | 350 | — 5 |
| 4900 | Mclan H X | $14⅝ | 14⅜ | 14⅜ | — ⅛ |
| 410 | Maritime f | $15¼ | 15¼ | 15¼ | |
| 100 | Merland E | 310 | 310 | 310 | |
| 1999 | Molson A f | $19¼ | 19⅛ | 19⅛ | — ⅛ |
| 11502 | Noranda | $15⅝ | 15⅜ | 15⅝ | + ⅛ |
| 4918 | Norcen | $16 | 16 | 16 | |
| 6007 | Nva AltA f | $7 | 6⅞ | 7 | + ⅛ |
| 400 | NuWst so A | 41 | 41 | 41 | + 2 |
| 500 | Oakwood | $8 | 8 | 8 | |
| 9739 | Omnibus o | 300 | 295 | 300 | +10 |
| 2125 | Oshawa A f | $33¼ | 33⅛ | 33⅛ | — ⅛ |
| 1900 | Pac W Airln | $13⅝ | 13⅜ | 13⅜ | + ⅛ |
| 17450 | Pamour | $8⅞ | 8½ | 8⅝ | — ⅜ |
| 494 | PanCan P | $32⅝ | 32⅛ | 32⅛ | — ⅛ |
| 2650 | Pine Point | $19⅝ | 19⅝ | 19⅝ | |
| 1500 | Placer | $23⅝ | 23½ | 23⅝ | — ⅛ |
| 200 | Redpath | $14⅝ | 14⅝ | 14⅝ | + ¼ |
| 928 | ReedSt I So | $46 | 45 | 45 | —1½ |
| 500 | Rogers A | $12⅝ | 12⅜ | 12⅜ | — ¼ |
| 500 | Scotts f | $29⅝ | 29⅝ | 29⅝ | |
| 8623 | Sears Can | $11½ | 11¼ | 11½ | + ⅛ |
| 8503 | Shell Can | $22⅝ | 22½ | 22½ | |
| 20270 | Sherritt | $8⅛ | 8 | 8 | — ⅛ |
| 73 | Slater B f | $13⅝ | 13⅝ | 13⅝ | |
| 1400 | Southam | $15⅝ | 15⅜ | 15⅜ | — ⅛ |
| 6054 | Spar Aero f | $24¼ | 23⅝ | 23⅝ | — ¼ |
| 13145 | Stelco A | $23⅝ | 22⅝ | 22⅝ | — ½ |
| 200 | Taro | $17 | 17 | 17 | |
| 1000 | Teck Cor A | $17⅝ | 17¼ | 17⅜ | — ⅛ |
| 34000 | Teck B f | $17⅝ | 17½ | 17½ | |
| 3851 | Tex Can | $30 | 29⅝ | 30 | |
| 6100 | Thom N A | $23½ | 23¼ | 23⅜ | |
| 27919 | Tor Dm Bk | $25¼ | 24⅝ | 24⅝ | — ⅜ |
| 2150 | Torstar B f | $33 | 33 | 33 | |
| 456 | Traders A f | $28 | 27⅝ | 27⅝ | — ⅜ |
| 50300 | Trinity Res | 260 | 245 | 245 | — 5 |
| 18449 | TrnAlta UA | $27⅝ | 27½ | 27⅝ | — ⅛ |
| 69865 | TrCan PL | $21½ | 21⅛ | 21⅛ | |
| 114972 | Trimac | 325 | 315 | 325 | +10 |
| 1110 | Trilon A | $22 | 22 | 22 | — ⅜ |
| 108550 | Turbo | 52 | 47 | 48 | — 2 |
| 12 | Un Carbid | $14 | 14 | 14 | — ¼ |
| 28040 | U Enterise | $12½ | 12⅜ | 12⅜ | — ⅛ |
| 50 | U Keno | $8⅝ | 8⅝ | 8⅝ | |
| 2000 | Versil A f | 410 | 400 | 410 | +10 |
| 400 | Vestgron | 325 | 320 | 325 | |
| 800 | Wardair | $19⅞ | 19⅝ | 19⅝ | + ⅛ |
| 300 | Weldwod | $20½ | 20⅜ | 20⅜ | + ⅛ |
| 1800 | Westmin | $17⅛ | 17⅛ | 17⅛ | + ⅛ |
| 4500 | Weston | $102½ | 102 | 102½ | + ½ |
| 318 | Woodwd A | $7⅝ | 7⅝ | 7⅝ | + ⅛ |
| 500 | Yk Bear | $6⅝ | 6⅝ | 6⅝ | + ⅛ |

Total sales 5,764,045 shares.

| | Close | Previous |
|---|---|---|
| Industrials index: | 138.53 | [illegible] |

**Montreal** Dec. 24

| Sales | Stock | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| 24599 | Bank Mont | $34⅝ | 34⅜ | 34⅝ | |
| 1655 | BombrdrA | $15 | 14⅞ | 14⅞ | + ⅛ |
| 49355 | BombrdrB | $14⅝ | 14½ | 14⅝ | |
| 200 | CB Pak | $22⅝ | 22⅝ | 22⅝ | |
| 606 | Cascades | $11⅛ | 11 | 11 | |
| 15900 | ConBath | $18½ | 18⅜ | 18⅜ | + ⅛ |
| 7325 | DomTxtA | $15⅝ | 15¼ | 15⅝ | |
| 1895 | Gaz Metro | $11⅝ | 11⅝ | 11⅝ | |
| 76998 | NatBk Cda | $25¼ | 25⅛ | 25⅛ | + [illegible] |
| 30500 | Power Corp | $21 | 21 | 21 | |
| 3250 | Provigo | $15⅝ | 15⅛ | 15⅝ | |
| 27315 | Royal Bank | $33⅝ | 33 | 33⅝ | + ⅛ |
| 400 | SteinbrgA | $34¾ | 34½ | 34½ | — ⅜ |

Total Sales 1,418,850 shares.

| | Close | Previous |
|---|---|---|
| TSE 300 Index: | 2,824.63 | [illegible] |

# SPORTS

## llying Past Cavs, ts Keep Rolling

*by Our Staff From Dispatches*

RUTHERFORD, New - Both coaches said forti- the key in the New Jersey -101 National Basketball on victory over the Cleve- aliers here Monday night. nd's coach, George Karl, appointed because I felt

**NBA FOCUS**

't tough enough down the

rsey's coach, Dave Wohl, Nets are "starting to get tough. . . . I liked the fact e pushing fatigue, referees r distractions aside." distracted Micheal Ray on in the final quarter as all six shots and scored 13 m-leading 29 points. ctory was the Nets' fourth and eighth in their last

the only game played in on Monday night. None yed Christmas Eve. ets took the lead for good forward Albert King sank throws with 3:23 left, mak- -98. The Nets closed out e with an 11-3 run as the s were held scoreless until ones made a three-point h 37 seconds to play. King scored, Richardson umper from the foul line, illiams made a free throw, son drove the key and p for a short jump shot and dsong hit a jumper inside the key, giving the Nets a 106-98 edge with a minute to play.

"We missed a lot of free throws and made a lot of turnovers," said Karl. "A lot of that has to do with mental toughness."

In that period the Cavaliers were a miserable 4-of-11 from the free throw line, with Jones the biggest offender, missing all five of his chances. The Cavaliers also committed five turnovers, three during the Nets' closing drive.

Until then it had been a closely played quarter, with eight lead changes.

"We knew it wouldn't be easy," said King, who had 14 points. "They're big and physical and they give a lot of teams trouble."

World B. Free continued to be especially troublesome, scoring 30 points following a 32-point game Sunday night.

"We were short without Gminski," said Richardson, speaking of Mike Gminski, New Jersey's starting center, who was out with a pulled groin muscle. "We were lacking physically without him. I wanted to take the outside shot because we needed someone to take control. I figured I'd win it or lose it. I felt I needed to shoot the ball for us to win."

Richardson was 13-of-20 on field goal attempts, 3-of-4 from the foul line, and had 6 rebounds, 9 assists and 4 steals.

But it was a tough fourth quarter for the Nets' foul shooters, too. They made only 6 of 14. *(AP, UPI)*

Reuters-United Press International

**After Cleveland's John Bagley had clearly overreached himself Monday night, Otis Birdsong sank the ensuing two foul shots and helped New Jersey to down the Cavs, 108-101.**

## lls, Falcons Begin Season's-End Shuffle

Michael Janofsky
*lew York Times Service*

YORK — The end of a l Football League season brings changes in person- owners conclude that dis- coaches and general man- more convenient and less re than dumping high-sala- yers. Bledsoe, the general man- the Buffalo Bills, and Eddie

**NFL NOTES**

n, the executive vice presi- the Atlanta Falcons, are the lose their jobs. Both were fonday, but for slightly dif- reasons, according to a source familiar with both ns. oe, the former assistant manager of the New York did not always get along lph Wilson, owner of the Ralph has been unhappy n all year," the source said. ne doesn't like to take the r losing. Firing Terry was y of laying off some of the s that simple." tlanta, LeBaron was re- y Rankin Smith, who called of the most painful" deci- e ever made. LeBaron had th the Falcons since 1977, al manager and, since 1982, eam's chief operating offi-

leparture, according to the could clear the way for Tay- th, the 32-year-old son of ner, to be named general r. Smith now is the club's ate secretary; his older , Rankin Jr., is the team's it.

□

n Diego, Don Coryell, coa- he Chargers, was given a t extension, but Ernie Zam- t his title as assistant head o Al Saunders, promoted ceivers coach. Zampese re- ne offensive coordinator. louston, the Oilers have rry Glanville, the assistant s temporarily promoted to fter Hugh Campbell was d two weeks ago, no more candidate" for the job. re going to begin an exhaus- rch for a new coach," said erzeg, the general manager. Campbell lasted less than two seasons and had a record of 8-22.

In Philadelphia, it now appears that only agreement on a contract is keeping David Shula, coach of the Miami Dolphins' quarterbacks and receivers, from becoming head coach of the Eagles.

Shula, 26, the son of Dolphin coach Don Shula, would become one of the youngest head coaches in league history. That notable achievement aside, many club officials are questioning the wisdom of Norman Braman, owner of the Eagles. And several have expressed indignation over the possibility that a coach with so little experience would be hired for so prestigious a job. One club executive called the potential hiring of Shula "an affront" to every assistant coach in the league.

□

- One of the most compelling elements of Saturday's divisional playoff game between the Dolphins and the Cleveland Browns is the return to Miami of Bernie Kosar, Cleveland's rookie quarterback from the University of Miami. In the Orange Bowl two years ago, in his last postseason game, Kosar led the upset of Nebraska that won the Hurricanes the national championship.
- Jan Stenerud's 19-year career in the league nearly came to a spectacular end Sunday. But trailing the Eagles, 37-35, and with time running out, the Minnesota Vikings could not get Stenerud on the field in time to attempt a winning field goal. Instead, he finished the season with 15 field goals on 26 attempts and ended his career with an NFL-record 373 field goals on 558 attempts.
- Before the Bills finished the season by losing to the Dolphins, 28-0, their coach, Hank Bullough, said he thought Buffalo could win with a "flawless" performance. The Bills lost the ball six times on turnovers and committed 19 penalties, three shy of tying a league record.

## Lemay, Canucks Sweep Past Jets, 5-3

*The Associated Press*

VANCOUVER, British Columbia — Moe Lemay, the Vancouver Canuck wing, has found a soft spot in the Winnipeg Jet defense.

Lemay exploited that weakness for two goals Monday night as the Canucks turned a five-goal first period into a 5-3 National Hockey League victory over the Jets.

**NHL FOCUS**

"They're big and strong," said Lemay, "but a little suspect with their skating. That was our plan — to go wide — and it worked a couple of times."

The New York Rangers and the New York Islanders won Monday night's only other NHL games. None were played Christmas Eve.

Lemay's plan worked well on his first goal, which tied the score at 2 nine minutes into the first period. The sometimes inconsistent four-year veteran powered around defenseman Bobby Dollas at the Jet blue line, shook off Dollas's hook and waited until goaltender Brian Hayward went down before lifting the puck into the net.

At 11:41 of the period, Lemay scored his 14th goal of the season (and his fifth in five games) when he slipped the puck between Hayward's legs after a perfect setup in the slot. That made the score 4-2, and and the tally stood up as the game-winner.

The victory was the third in a row for the Canucks, who recently went 10 games without winning. It put them in sole possession of third place in the Smythe Division, two points ahead of the Winnipeg.

"How do you explain nine points in the last six games after we had one in the previous 10?" said Vancouver's coach, Tom Watt. "But it's a really nice win and a big confidence builder for us. That's the important part of all this."

The Canucks blanketed the Jets in the final period, allowing them just three shots on the rookie goaltender Wendell Young, who has a 2-0-1 record since being called up from the minors.

"I don't think the team really needed me in the third," said Young, who looked shaky in the opening period as he continued to give up big rebounds. "They put up a wall and just played great."

The Jets, said their captain, Dale Hawerchuk, "got caught off-guard in the first period.

"We played five bad minutes — and when we play them bad, we really play them bad."

## A Top Dog in Cincinnati

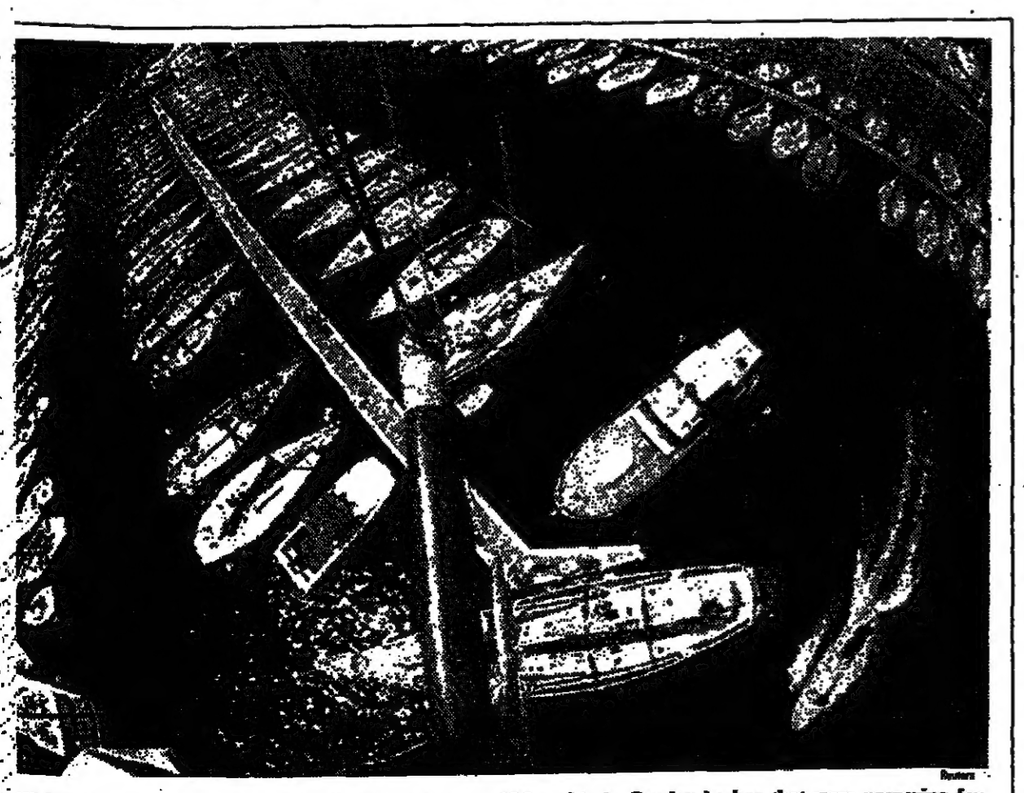
*New York Times Service*

NEW YORK — We first met Schottzie when her owner, Marge Schott, brought her to the news conference announcing Schott's purchase of the Cincinnati Reds baseball club. Schottzie, a Saint Bernard, wore a Reds' cap and sat on the foot of Pete Rose, the team's player-manager.

A year later, Schottzie is such big stuff that she can call her own news conference. She has her own company, Schottzie Enterprises; whose products have been going fast at Cincinnati stores. The latest is the full-color 1986 Schottzie calendar ($7.95). "Schottzie's the only dog to have her own calendar — she's competing with Garfinkel," declared Schott, who knows baseball better than she knows comics-page cats.

Schottzie's calendar girl versatility is undeniable (she poses in baseball cap, derby hat and cap and gown, among other come-on chapeaus). She also sells: The calendar's first printing numbered 8,000, and many were gone in the first week. "Everybody famous has one," boasts Schott, citing a list that includes Peter Ueberroth, Bob Hope, Howard Cosell and a canine celebrity named Lucky, owned by President and Mrs. Reagan.

The conglomerate marches on. Flush with calendar success, Schott has big plans for the next baseball season. "I'm thinking," she says, "about a wind-up dog that walks and sings 'Take Me Out to the Ball Game.' "



Reuters

**H SEAS — A crewmember of Apollo (lower fore- nd) photographed from atop its mast some of the 186 yachts in Syndey harbor that were preparing for Thursday's start of the annual 630-mile race to Hobart.**

## Three Christmas Stars, Rising in the East

*International Herald Tribune*

LONDON — On the eves of three consecutive Christmases, a child from the Orient has appeared.

Three adolescents, in fact, bearing rare soccer gifts and a simple message: that flair still exists, still transcends the self-sold obsession we have that children are lost in sports unless immersed in coaching from the cradle.

In 1983, Chen Ha Van Hoo, having reached 14 — the age of legal consent for a schoolboy to sign with a British professional team — joined Manchester City.

In 1984, Everton, en route to the English championship, won a race to obtain a pledge that Diep Van Lee, another 14-year-old, would play for it.

And now Hung Quoc Dang, just 13 and therefore only surreptitiously on the run from agents and recruiters, has been chosen from among 10,000 aspirants for a Bobby Charlton soccer scholarship.

These three boys came separately to England via refugee boats out of Vietnam five or six years ago.

They have weathered the country's winters, adjusted to its diet and taken aboard two languages — standard English and the sporting vernacular.

Where they have missed out is in the drilling that persuades infants that soccer is a game of systems and regimented self-sacrifice to the team.

Organized soccer was a bit thin on the ground where the "boat people" came from. Diep, for example, lived his first 10 years not 50 yards from the South China Sea, and recollects first seeing soccer played by U.S. soldiers stationed nearby. Among Americans, let me tell you, it would certainly have been untutored play.

None the worse for that. The great Hungarians of the 1950s, like the British of the Stanley Matthews era, grew out of the primitive instincts of boys with little else to do falling in love with mastering anything from a ball of rags to a tennis ball.

They developed the control that requires endless hours, not under the coaching whip but simply because a lad feels for the ball.

Latin Americans, in their shanties, are still producing such lads, although scouts with sharp eyes and sometimes persuasive bank balances are plucking them out at ever-younger ages, so that the Brazilian, the Argentine, the Uruguayan are herded into structured training too early.

**ROB HUGHES**

*Can it be mere coincidence that Chen Ha and Diep and Hung have stood out in England, where physical running is ingrained even in teams of infants?*

Can it be that club scouts — and not just this writer — see something more precious in the individual than in the mass of conformers?

Those clubs, whose budgets for youth programs are forever being cut, have a greater vested interest in every schoolboy they can tempt than they have romantic notions of plucking boat boys off the China seas.

True, by 14, a budding player has acclimatized to the system. Chen Ha was a noted sprinter and high jumper at school in Rugby in the midlands before Manchester City's chief scout, Ken Barnes, became entranced by his balance and speed, his poise with a ball.

Barnes knows that his discovery, spindly and pigeon-toed, has mountains yet to climb.

So have they all. So has any youngster whose precocious flair may or may not blossom; 75 percent of those who sign up as schoolboys fail to earn a living in soccer.

Fulfilling the promise of youth is difficult enough. Soccer adds the demands of sustained physical well-being, of heightened enthusiasm for repetitive exercise, of the threat of the thuggery that sooner or later seeks to destroy talent.

It also places great stress on survival under hire-and-fire whims of club bosses who change managers and training staffs roughly every three years.

But then, who can teach the boat children survival?

They have known starvation that only anorexic gymnasts experience.

They have dodged pirates worse than the soccer sharks who would exploit them.

And the separations demanded of a teenage player are nothing compared to that of being cut adrift on the high seas and then, by some miraculous paperwork in Singapore, of being reunited with family in England, a small island thousands of miles away.

Whether Diep, to whom that last sentence refers, realizes his ambition to become the Ian Rush of the 1990s cannot be foretold. Whether Chen Ha is Manchester City's next Trevor Francis lies with the gods.

How will Hung, the new boy, shape up at Charlton's summer soccer school? Or at the Juventus camp and under the English FA scholarship that are included in his prize?

All a boy can do is show his potential when asked.

Charlton led the applause for the lad who, this month, demonstrated his prowess in five soccer disciplines and withstood the roar of 38,000 onlookers in Manchester.

With his arm around Hung's slender shoulders, Charlton, the great ambassador for English soccer, said: "I just want the kids to come, have a laugh, and fall in love with sport."

Hung, a little shyly, came close to smiling. Back at school in Taunton, far, far off soccer's beaten track, he is being told not to forget his other games — table tennis, badminton and tennis — or his studies.

Good for the teachers. But what a tale we will tell if, 10 years from now, the three of them realize their aims of playing international soccer — for England, which gave them a home.

**'I just want the kids to come, have a laugh, and fall in love with sport.'**

# SCOREBOARD

## Football

### Final Regular-Season NFL Standings

AMERICAN CONFERENCE

| East | W | L | T | Pct. | PF | PA |
|---|---|---|---|---|---|---|
| x-Miami | 12 | 4 | 0 | .750 | 428 | 320 |
| y-N.Y. Jets | 11 | 5 | 0 | .688 | 393 | 264 |
| y-New England | 11 | 5 | 0 | .688 | 362 | 290 |
| Indianapolis | 5 | 11 | 0 | .312 | 320 | 386 |
| Buffalo | 2 | 14 | 0 | .125 | 200 | 381 |
| **Central** | | | | | | |
| x-Cleveland | 8 | 8 | 0 | .500 | 287 | 294 |
| Cincinnati | 7 | 9 | 0 | .438 | 441 | 437 |
| Pittsburgh | 7 | 9 | 0 | .438 | 379 | 355 |
| Houston | 5 | 11 | 0 | .312 | 284 | 412 |
| **West** | | | | | | |
| x-L.A. Raiders | 12 | 4 | 0 | .750 | 354 | 308 |
| Denver | 11 | 5 | 0 | .688 | 380 | 329 |
| Seattle | 8 | 8 | 0 | .500 | 349 | 303 |
| San Diego | 8 | 8 | 0 | .500 | 467 | 435 |
| Kansas City | 6 | 10 | 0 | .375 | 317 | 360 |

NATIONAL CONFERENCE

| East | W | L | T | Pct. | PF | PA |
|---|---|---|---|---|---|---|
| x-Dallas | 10 | 6 | 0 | .625 | 357 | 333 |
| y-N.Y. Giants | 10 | 6 | 0 | .625 | 399 | 283 |
| Washington | 10 | 6 | 0 | .625 | 297 | 312 |
| Philadelphia | 7 | 9 | 0 | .438 | 286 | 310 |
| St. Louis | 5 | 11 | 0 | .313 | 278 | 414 |
| **Central** | | | | | | |
| x-Chicago | 15 | 1 | 0 | .938 | 456 | 198 |
| Green Bay | 8 | 8 | 0 | .500 | 337 | 355 |
| Minnesota | 7 | 9 | 0 | .438 | 346 | 359 |
| Detroit | 7 | 9 | 0 | .438 | 307 | 366 |
| Tampa Bay | 2 | 14 | 0 | .125 | 294 | 448 |
| **West** | | | | | | |
| x-L.A. Rams | 11 | 5 | 0 | .688 | 340 | 277 |
| y-San Francisco | 10 | 6 | 0 | .625 | 411 | 263 |
| New Orleans | 5 | 11 | 0 | .313 | 294 | 401 |
| Atlanta | 4 | 12 | 0 | .250 | 282 | 452 |

(x-won division title)
(y-clinched wild-card playoff berth)

Monday's Result
L.A. Raiders 16, L.A. Rams 6

PLAYOFF SCHEDULE
First Round
Dec. 28: New England at N.Y. Jets
Dec. 29: San Francisco at N.Y. Giants
Second Round
Jan. 4: Cleveland at Miami, Dallas at L.A. Rams
Jan. 5: San Francisco-N.Y. Giants winner at Chicago, New England-N.Y. Jets winner at L.A. Raiders

Reuters-UPI

**Marcus Allen ran for 123 yards to win the 1985 NFL rushing crown on Monday as his Los Angeles Raiders beat the Rams, 16-6. Allen finished the regular season with 1,759 yards rushing, 40 more than Atlanta's Gerald Riggs.**

## Hockey

### NHL Leaders

National Hockey League leaders through Dec. 22:

SCORING

| | G | A | Pts |
|---|---|---|---|
| Gretzky, Edm | 23 | 68 | 91 |
| Naslund, Mtl | 25 | 33 | 58 |
| Lemieux, Pgh | 20 | 37 | 57 |
| Coffey, Edm | 15 | 39 | 54 |
| Kurri, Edm | 28 | 24 | 52 |
| Anderson, Edm | 24 | 26 | 50 |
| Propp, Pha | 24 | 25 | 49 |
| Hawerchuk, Wpg | 24 | 21 | 45 |
| P. Stastny, Que. | 18 | 27 | 45 |
| Broten, Minn | 16 | 30 | 45 |
| Kerr, Pha | 31 | 13 | 44 |
| T. Murray, Chi | 19 | 25 | 44 |

GOALTENDING
(Empty-net goals in parentheses)

| | MP | GA | SO | Avg |
|---|---|---|---|---|
| Froese | 1031 | 44 | 2 | 2.56 |
| Lindbergh | 480 | 23 | 1 | 2.88 |
| Jensen | 595 | 39 | 0 | 3.93 |
| Philadelphia (1) | 2184 | 107 | 3 | 3.05 |
| Jensen | 1148 | 54 | 0 | 2.82 |
| Peeters | 426 | 22 | 1 | 3.10 |
| Riggin | 349 | 22 | 0 | 3.74 |
| Washington (3) | 1943 | 102 | 1 | 3.15 |
| Malarchuk | 725 | 39 | 2 | 3.23 |
| Gosselin | 1003 | 55 | 1 | 3.29 |
| Sevigny | 267 | 15 | 0 | 3.37 |
| Quebec (1) | 1995 | 110 | 3 | 3.31 |
| Vanbiesbrouck | 1516 | 76 | 2 | 3.01 |
| Hanlon | 199 | 14 | 0 | 4.22 |
| Scott | 156 | 11 | 0 | 4.23 |
| Kleisinger | 191 | 14 | 0 | 4.40 |
| NY Rangers | 2062 | 115 | 2 | 3.38 |
| Keans | 1035 | 53 | 0 | 3.07 |
| Riggin | 490 | 27 | 0 | 3.31 |
| Peeters | 485 | 31 | 0 | 3.84 |
| Boston (2) | 2010 | 113 | 0 | 3.37 |
| Puppa | 401 | 21 | 1 | 3.14 |
| Barrasso | 1623 | 88 | 2 | 3.25 |
| Cloutier | 27 | 5 | 0 | 11.11 |
| Buffalo (2) | 2051 | 117 | 3 | 3.42 |
| D'Amour | 336 | 17 | 0 | 3.04 |
| Lemelin | 1661 | 99 | 0 | 3.58 |
| Calgary (2) | 1997 | 118 | 0 | 3.55 |
| Romano | 1234 | 65 | 1 | 3.16 |
| Meloche | 712 | 41 | 0 | 3.46 |
| Herron | 180 | 14 | 0 | 4.67 |
| Pittsburgh (6) | 2126 | 126 | 1 | 3.56 |
| Sealpert | 430 | 20 | 2 | 2.79 |
| Roy | 926 | 51 | 0 | 3.30 |
| Penney | 650 | 48 | 0 | 4.43 |
| Montreal (2) | 2006 | 121 | 2 | 3.62 |
| Hrudey | 1072 | 62 | 0 | 3.47 |
| Smith | 900 | 60 | 0 | 4.00 |
| NY Islanders | 1972 | 122 | 0 | 3.71 |
| Wamsley | 912 | 51 | 0 | 3.36 |
| Millen | 795 | 51 | 0 | 3.85 |
| May | 184 | 13 | 0 | 4.24 |
| St. Louis (3) | 1891 | 118 | 0 | 3.74 |
| Casey | 390 | 23 | 0 | 3.54 |
| Beaupre | 1303 | 84 | 0 | 3.87 |
| Melanson | 325 | 24 | 0 | 4.43 |
| Minnesota (3) | 2018 | 133 | 0 | 3.75 |
| Moog | 1424 | 81 | 1 | 3.41 |
| Fuhr | 699 | 58 | 0 | 4.98 |
| Edmonton (2) | 2123 | 141 | 1 | 3.98 |
| Liut | 1344 | 86 | 1 | 3.84 |
| Weeks | 5232 | 38 | 0 | 4.34 |
| Hartford (1) | 1867 | 125 | 1 | 4.02 |
| Young | 165 | 7 | 0 | 2.55 |
| Brodeur | 1649 | 111 | 2 | 4.04 |
| Caprice | 308 | 28 | 0 | 5.45 |
| Vancouver (2) | 2122 | 148 | 2 | 4.18 |
| Resch | 920 | 57 | 0 | 3.72 |
| Billington | 240 | 18 | 0 | 4.50 |
| Chevrier | 832 | 68 | 0 | 4.90 |
| New Jersey (3) | 1992 | 146 | 0 | 4.40 |
| Wregget | 410 | 27 | 0 | 3.95 |
| Bernhardt | 736 | 54 | 0 | 4.40 |
| Edwards | 804 | 62 | 0 | 4.63 |
| Toronto (1) | 1950 | 146 | 0 | 4.43 |
| Sauve | 596 | 38 | 0 | 3.83 |
| Bannerman | 1287 | 104 | 1 | 4.85 |
| Skorodenski | 60 | 6 | 0 | 6.00 |
| Chicago (2) | 1943 | 150 | 1 | 4.63 |
| Bouchard | 835 | 51 | 0 | 3.66 |
| Hayward | 1253 | 103 | 0 | 5.14 |
| Behrend | 146 | 14 | 0 | 5.75 |
| Winnipeg (1) | 2144 | 169 | 0 | 4.64 |
| Eliot | 1093 | 89 | 0 | 4.89 |
| Janecyk | 864 | 72 | 0 | 5.00 |
| Healy | 51 | 6 | 0 | 7.06 |
| Los Angeles (3) | 2088 | 170 | 0 | 5.88 |
| LaForest | 240 | 17 | 0 | 4.25 |
| Stefan | 1099 | 82 | 0 | 4.48 |
| Pusey | 40 | 3 | 0 | 4.50 |
| Micalef | 325 | 36 | 0 | 6.65 |
| Mio | 180 | 21 | 0 | 7.00 |
| Detroit (3) | 184 | 162 | 0 | 5.16 |

### NHL Standings

WALES CONFERENCE

| Patrick Division | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| Philadelphia | 26 | 9 | 0 | 52 | 160 | 107 |
| Washington | 20 | 8 | 4 | 44 | 128 | 102 |
| NY Islanders | 13 | 11 | 9 | 35 | 128 | 125 |
| NY Rangers | 16 | 17 | 2 | 34 | 130 | 117 |
| Pittsburgh | 14 | 17 | 4 | 32 | 131 | 126 |
| New Jersey | 13 | 19 | 1 | 27 | 125 | 145 |
| **Adams Division** | | | | | | |
| Quebec | 18 | 13 | 2 | 38 | 132 | 110 |
| Montreal | 17 | 12 | 4 | 38 | 144 | 121 |
| Boston | 16 | 11 | 6 | 38 | 125 | 113 |
| Buffalo | 16 | 16 | 2 | 34 | 124 | 117 |
| Hartford | 16 | 15 | 1 | 33 | 130 | 131 |

CAMPBELL CONFERENCE

| Norris Division | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| St. Louis | 15 | 12 | 4 | 34 | 117 | 118 |
| Chicago | 13 | 15 | 4 | 30 | 136 | 150 |
| Minnesota | 10 | 16 | 7 | 27 | 137 | 133 |
| Toronto | 8 | 19 | 5 | 21 | 121 | 144 |
| Detroit | 7 | 21 | 4 | 18 | 103 | 172 |
| **Smythe Division** | | | | | | |
| Edmonton | 24 | 7 | 4 | 52 | 189 | 141 |
| Calgary | 17 | 13 | 3 | 37 | 142 | 118 |
| Vancouver | 13 | 19 | 4 | 30 | 137 | 151 |
| Winnipeg | 12 | 21 | 4 | 28 | 136 | 174 |
| Los Angeles | 8 | 21 | 4 | 20 | 111 | 170 |

Monday's Results

N.Y. Islanders 2 2 2—6
Hartford 1 1 1—3

Nystrom (1), LaFontaine 2 (20), Tonelli (10), Didpek (1), Makela (3); Francis (14), Siltanen (5), Babych (8). Shots on goal: New York (on Liut) 9-7-7—23; Hartford (on Hrudey) 22-14-10—46.

Detroit 0 1 1—2
N.Y. Rangers 3 2 5—10

MacLellan 2 (8), Greschner (12), Pavelich 2 (17), Miller (4), Sundstrom (4), Laidlaw (3), Helminen (6), J.Patrick (4); Klima (13), Ogrodnick (14). Shots on goal: Detroit (on Vanbiesbrouck) 3-11-4—18; New York (on Laforest, Mio) 12-12-15—39.

Winnipeg 2 1 0—3
Vancouver 5 0 0—5

Tambellini (7), Lemay 2 (14), Crawford (4), Lidster (5); Carlyle (4), Boschman 2 (17). Shots on goal: Winnipeg (on Young) 12-13-3—28; Vancouver (on Hayward, Bouchard) 12-15-6—33.

(Tuesday: No Games Scheduled)

## Basketball

### NBA Leaders

National Basketball Association leaders through Dec. 22:

TEAM OFFENSE

| | G | Pt. | Avg |
|---|---|---|---|
| L.A. Lakers | 27 | 3277 | 121.4 |
| Houston | 29 | 3430 | 118.3 |
| Denver | 29 | 3392 | 117.0 |
| Milwaukee | 31 | 3617 | 116.7 |
| Detroit | 29 | 3375 | 116.4 |
| Dallas | 27 | 3077 | 114.0 |
| Portland | 31 | 3504 | 113.0 |
| Boston | 27 | 3018 | 111.8 |
| Phoenix | 27 | 2983 | 110.5 |
| Utah | 30 | 3305 | 110.2 |
| San Antonio | 29 | 3187 | 109.9 |
| Philadelphia | 28 | 3077 | 109.9 |
| Chicago | 31 | 3403 | 109.8 |
| New Jersey | 29 | 3176 | 109.5 |
| Cleveland | 28 | 3061 | 109.3 |
| Golden State | 31 | 3359 | 108.4 |
| L.A. Clippers | 28 | 3028 | 108.1 |
| Sacramento | 28 | 3024 | 108.0 |
| Indiana | 27 | 2830 | 104.8 |
| Atlanta | 28 | 2927 | 104.5 |
| Washington | 27 | 2813 | 104.2 |
| Seattle | 29 | 2995 | 103.3 |
| New York | 28 | 2670 | 95.4 |

TEAM DEFENSE

| | G | No. | Avg |
|---|---|---|---|
| New York | 28 | 2786 | 99.4 |
| Seattle | 29 | 2967 | 102.3 |
| Washington | 27 | 2792 | 103.4 |
| Boston | 27 | 2861 | 106.0 |
| Indiana | 27 | 2884 | 106.8 |
| Philadelphia | 28 | 2992 | 106.9 |
| Milwaukee | 31 | 3315 | 106.9 |
| Atlanta | 28 | 2997 | 107.0 |
| Cleveland | 28 | 3061 | 109.3 |
| San Antonio | 29 | 3178 | 109.6 |
| New Jersey | 29 | 3198 | 110.3 |
| L.A. Lakers | 27 | 2985 | 110.6 |
| Utah | 30 | 3317 | 110.6 |
| Portland | 31 | 3479 | 112.2 |
| Golden State | 31 | 3487 | 112.5 |
| Phoenix | 27 | 3071 | 113.7 |
| Chicago | 31 | 3527 | 113.8 |
| Dallas | 27 | 3085 | 114.3 |
| Denver | 29 | 3324 | 114.6 |
| Houston | 29 | 3327 | 114.7 |
| Sacramento | 28 | 3222 | 115.1 |
| Detroit | 29 | 3382 | 116.6 |
| L.A. Clippers | 28 | 3288 | 117.4 |

INDIVIDUAL
Scoring

| | G | FG | FT | Pts | Avg |
|---|---|---|---|---|---|
| English, Den. | 29 | 329 | 208 | 866 | 29.9 |
| Dantley, Utah | 29 | 306 | 251 | 863 | 29.8 |
| Wilkins, Atl. | 28 | 288 | 148 | 728 | 26.0 |
| Woolridge, Chi. | 31 | 289 | 189 | 769 | 24.8 |
| Malone, Phil. | 28 | 216 | 252 | 684 | 24.4 |
| Davis, Phoe. | 22 | 213 | 104 | 536 | 24.4 |
| Olajuwon, Hou. | 29 | 265 | 164 | 694 | 23.9 |
| Short, G.S. | 25 | 239 | 116 | 598 | 23.9 |
| Bird, Bos. | 27 | 244 | 140 | 640 | 23.8 |
| Free, Clev. | 25 | 207 | 153 | 594 | 23.8 |
| Mitchell, S.A. | 29 | 272 | 121 | 665 | 22.9 |
| Vandeweghe, Prt. | 28 | 218 | 206 | 642 | 22.9 |
| Johnson, Lac | 26 | 238 | 118 | 595 | 22.9 |
| Nance, Phoe. | 26 | 225 | 144 | 594 | 22.8 |
| Abdul-Jabbr, LAL | 27 | 248 | 111 | 607 | 22.5 |
| Aguirre, Dall. | 23 | 202 | 110 | 515 | 22.4 |
| McHale, Bos. | 27 | 228 | 135 | 591 | 21.9 |
| Malone, Wash. | 27 | 243 | 81 | 570 | 21.1 |

Field Goal Percentage

| | FG | FGA | Pct |
|---|---|---|---|
| Thorpe, Sac. | 121 | 189 | .640 |
| Dawkins, N.J. | 154 | 244 | .631 |
| Johnson, S.A. | 148 | 239 | .619 |
| Worthy, LAL | 227 | 375 | .605 |
| Nance, Phoe. | 225 | 383 | .587 |

Rebounding

| | G | Off | Def | Tot | Avg |
|---|---|---|---|---|---|
| Laimbeer, Det. | 29 | 107 | 256 | 363 | 12.5 |
| Williams, N.J. | 29 | 111 | 247 | 358 | 12.3 |
| Olajuwon, Hou. | 29 | 154 | 190 | 344 | 11.9 |
| Malone, Phil. | 28 | 126 | 206 | 332 | 11.9 |
| Sampson, Hou. | 29 | 90 | 236 | 326 | 11.2 |

Assists

| | G | No. | Avg. |
|---|---|---|---|
| Johnson, LAL | 25 | 331 | 13.2 |
| Thomas, Det. | 28 | 325 | 11.6 |
| Cheeks, Phil. | 28 | 268 | 9.6 |
| Bagley, Clev. | 28 | 265 | 9.5 |
| Moore, S.A. | 28 | 252 | 9.0 |

### NBA Standings

EASTERN CONFERENCE

| Atlantic Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Boston | 21 | 6 | .778 | — |
| New Jersey | 18 | 12 | .600 | 4½ |
| Philadelphia | 16 | 12 | .571 | 5½ |
| Washington | 13 | 14 | .481 | 8 |
| New York | 9 | 19 | .321 | 12½ |
| **Central Division** | | | | |
| Milwaukee | 19 | 12 | .613 | — |
| Detroit | 15 | 14 | .517 | 3 |
| Atlanta | 14 | 14 | .500 | 3½ |
| Cleveland | 13 | 16 | .448 | 5 |
| Chicago | 11 | 20 | .355 | 8 |
| Indiana | 8 | 19 | .296 | 9 |

WESTERN CONFERENCE

| Midwest Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Denver | 18 | 11 | .621 | — |
| Houston | 18 | 11 | .621 | — |
| San Antonio | 17 | 12 | .586 | 1 |
| Utah | 16 | 14 | .533 | 2½ |
| Dallas | 13 | 14 | .481 | 4 |
| Sacramento | 9 | 19 | .321 | 8½ |
| **Pacific Division** | | | | |
| L.A. Lakers | 24 | 3 | .889 | — |
| Portland | 17 | 14 | .548 | 9 |
| Seattle | 11 | 18 | .379 | 14 |
| Phoenix | 10 | 17 | .370 | 14 |
| L.A. Clippers | 10 | 18 | .357 | 14½ |
| Golden State | 10 | 21 | .323 | 16 |

Monday's Result

Cleveland 27 25 38 17—101
New Jersey 32 26 34 26—108

Richardson 13-20 3-4 29, Williams 8-13 2-4 18; Free 9-19 10-12 30, Hinson 8-14 4-6 20. Rebounds: Cleveland 44 (Turpin 8), New Jersey 61 (Williams 12). Assists: Cleveland 23 (Bagley 9), New Jersey 29 (Richardson 9).

(Tuesday: No games scheduled)

### College Top 20s

The top 20 teams in The Associated Press college basketball poll (first-place votes, total points based on 20-19-18, etc., records through Dec. 22 and last week's rankings):

| | Record | Pts | Pvs |
|---|---|---|---|
| 1. North Carolina (43) | 10-0 | 1255 | 1 |
| 2. Michigan (15) | 10-0 | 1199 | 2 |
| 3. Duke (4) | 9-0 | 1146 | 3 |
| 4. Syracuse | 7-0 | 1061 | 4 |
| 5. Georgetown (2) | 9-0 | 1028 | 5 |
| 6. Kansas | 10-1 | 959 | 6 |
| 7. Georgia Tech | 7-1 | 898 | 7 |
| 8. Oklahoma | 9-0 | 797 | 8 |
| 9. Louisiana State | 11-0 | 733 | 9 |
| 10. Memphis State | 9-0 | 672 | 10 |
| 11. St. John's | 10-1 | 638 | 11 |
| 12. Nev.-Las Vegas | 7-1 | 540 | 12 |
| 13. Kentucky | 7-1 | 481 | 13 |
| 14. Ala.-Birmingham | 11-1 | 444 | 14 |
| 15. Louisville | 6-2 | 380 | 16 |
| 16. Illinois | 8-2 | 340 | 15 |
| 17. Indiana | 6-2 | 198 | 17 |
| 18. Notre Dame | 5-1 | 194 | 19 |
| 19. Virginia Tech | 8-1 | 188 | 20 |
| 20. DePaul | 5-2 | 75 | 18 |

The United Press International board of coaches top 20 college basketball ratings (first-place votes; records through Dec. 22), total points based on 15 for first place, 14 for second, etc.and last week's rankings):

| | | |
|---|---|---|
| 1. North Carolina (26) (10-0) | 484 | 1 |
| 2. Michigan (5) (10-0) | 442 | 2 |
| 3. Duke (2) (9-0) | 409 | 3 |
| 4. Kansas (9-1) | 351 | 4 |
| 5. Syracuse (7-0) | 348 | 5 |
| 6. Georgia Tech (7-1) | 324 | 7 |
| 7. Georgetown (8-0) | 315 | 6 |
| 8. LSU (11-0) | 187 | 11 |
| 9. Oklahoma (9-0) | 170 | 8 |
| 10. Kentucky (7-1) | 163 | 14 |
| 11. St. John's (9-1) | 138 | 9 |
| 12. Nevada-Las Vegas (8-1) | 122 | 10 |
| 13. Memphis St. (8-0) | 116 | 11 |
| 14. Louisville (6-2) | 74 | 17 |
| 15. Illinois (7-2) | 65 | 13 |
| 16. Indiana (6-2) | 64 | 16 |
| 17. Notre Dame (5-1) | 23 | 19 |
| 18. DePaul (6-1) | 15 | 18 |
| 19. Texas-El Paso (7-2) | 11 | z |
| 20. Washington (6-2) | 10 | z |

(z-unranked)

### Selected College Results

EAST
Fordham 44, Columbia 42
Georgetown 96, Seattle 57
Princeton 54, Rutgers 47
Providence 104, Ark.-Little Rock 80
St. John's 98, Monmouth 58

SOUTH
Grambling 61, Wiley Coll. 59
Memphis St. 82, Murray St. 59

MIDWEST
Bradley 81, St. Louis 67
Illinois 95, Howard 61
Kansas 94, George Washington 71
Kansas St. 78, N. Illinois 58
Miami, Ohio 63, Cincinnati 62
Minnesota 71, Oklahoma St. 59
Nebraska 80, Arizona St. 67
Pepperdine 62, Evansville 61
Purdue 71, DePaul 56

SOUTHWEST
Texas Christian 85, Long Beach St. 50
New Mexico 54, New Mexico State 44

FAR WEST
Navy 93, Army 63
Fresno St. 89, Sacramento St. 72
Iowa 84, Gonzaga 64
Montana 78, Washington 65
New Mexico 54, New Mexico St. 44
Oral Roberts 69, Cal-Irvine 63
Pacific 71, Hawaii 56
Weber St. 76, Wyoming 71

TOURNAMENTS
Red Lobster Classic
Championship: Auburn 89, Boston College 85
Third Place: Valdosta St. 55, Central Fla. 46
Chaminade Classic
First Round
N. Carolina St. 64, Chaminade 46
Nev.-Las Vegas 83, Stanford 65

## Transition

BASEBALL
National League

NEW YORK—Named Tom McCraw minor-league hitting instructor.

SAN DIEGO—Announced it will not offer Luis DeLeon, pitcher, a 1986 contract, making him a free agent.

BASKETBALL
National Basketball Association

L.A. CLIPPERS—Forward Jamaal Wilkes announced his retirement.

FOOTBALL
National Football League

ATLANTA—Extended the contract of Dan Henning, coach. Named Marion Campbell defensive coordinator.

L.A. RAIDERS—Activated Mike Davis, safety.

SAN DIEGO—Extended the contract of Don Coryell, head coach. Promoted Al Saunders from receivers coach to assistant coach.

SEATTLE—Announced the retirement of Charle Young, tight end.

HOCKEY
National Hockey League

N.Y. RANGERS—Traded Steve Richmond, defenseman, to the Detroit Red Wings for Mike McEwen, defenseman.

COLLEGE

COLUMBIA—Named Larry McElreavy football coach.

NORTH DAKOTA—Hired Roger J. Thomas as football coach.

SALEM—Announced the resignation of Terry Bowden, football coach.

YOUNGSTOWN ST.—Hired Jim Tressel as football coach.

## ART BUCHWALD

# Nancy Cannot Tell a Lie

WASHINGTON — The Great Lie Detector Test Flap has come to an end. When President Reagan signed a directive ordering thousands of government officials to hook up to a polygraph machine, Secretary of State George Shultz balked, and announced he would resign.

The president then backed down and said the lie detector would be used only in special cases.

What nobody knows is that it wasn't George Shultz who was responsible for getting Reagan to rethink his security plan. It was Nancy Reagan.

Buchwald

Three days after the president signed the directive, two men came into Mrs. Reagan's sitting room and attempted to place electrodes on her head.

Mrs. Reagan said, "What are you doing?"

One of the men replied, "The president has ordered everyone to take a polygraph test. We wanted to get the White House people out of the way first."

"Leave immediately. I will never submit to a polygraph test."

"Gee, Mrs. Reagan. It isn't a big deal to take one if you have nothing to hide. But it's going to make everyone wonder about you if you refuse."

"I'm going to speak to the president about this."

□

"Nancy, why are you getting your hair done so early?"

"These are not hair curlers, Ronnie. They are electrodes for a polygraph test. Will you please tell me why I have to submit to one?"

"*I can't very well ask George* Shultz to take the test if I won't ask my own wife."

"Ronnie, have I ever lied to you?"

"Of course not. That's why I wasn't afraid to O.K. the polygraph for you. I knew you would pass with flying colors. Can't you see the headlines? 'Nancy Reagan Tells Truth Again.' "

"There is no reason to take a test. I don't know any state secrets."

"That's the point, Nancy. If you did know any secrets the threat of a lie detector test would make you think twice before you passed them on."

"Ronnie, why are you making everyone do this?"

"Bill Casey and Cap Weinberger think it's a dandy idea. They believe the test will have a chilling effect on would-be traitors."

"Am I considered a would-be traitor?"

"Of course not. I know it, and you know it, but how can I prove it to everyone *else if I can't produce* the results of your polygraph tests?"

□

"Everyone says lie detector tests are no good. They can't even be used in court as evidence. And they violate people's civil rights."

"I have done more for civil rights than any president in the past 50 years. Let me read you a letter I received from a little girl in Iowa."

"Ronnie, I want those men out of the boudoir in two minutes."

"Nancy, you are the crown jewel in my administration's polygraph program. We'll make the questions very simple, such as why did you exile our dog Lucky to the ranch in California?"

"I've never hesitated to cooperate with you before, Ronnie. But this time the answer is NO."

"Since you feel that strongly about it, I'll cancel the lie detector program. But when the next commie spy surfaces in the government, you'll have nobody to blame but *George Shultz and yourself.*"

## PEN Congress Set Jan. 12-18 in N.Y.

*New York Times Service*

NEW YORK — The 48th International PEN Congress, which runs here Jan. 12-18, will be the first such meeting in the United States in 20 years and perhaps the largest gathering ever of foreign writers on U. S. shores.

The congress is expected to be attended by 400 American writers and 275 foreign writers. The theme of the congress is "The Writer's Imagination and the Imagination of the State."

The gathering will consist of more than 30 events plus parties and receptions. Foreign guests of honor are expected to include Günter Grass and Eugene Ionesco.

# Trump's New Towers: Grandiose but Inhuman

By Paul Goldberger
*New York Times Service*

NEW YORK — Not since Philip Johnson and John Burgee's plan for the AT&T building in 1978 has an unbuilt project been as talked about as Donald Trump's proposal to put a 150-story condominium tower on Manhattan's Upper West Side.

The tower, which would be the centerpiece of Television City, an apartment, office and studio complex designed for Trump by the architect Helmut Jahn, has made the network news, numerous national magazines and a lot of the international press — not bad for a project that is years away from being built, if it gets built at all.

All this publicity is precisely what Trump has been banking on. The world loves drama and power and sex appeal, and the plan to build the world's tallest building possesses all three.

But Trump does not, I think, have any realistic expectation that he will be able to start construction on this 2,600-unit tower within the near future, and I wonder, despite all the hoopla, how much he really intends to build this supertall tower, even if he can overcome the political opposition that on the Upper West Side is inevitable with so large a building.

While a building this tall is structurally and technologically possible, and has been so for many years, it makes little economic or social sense. It is extraordinarily expensive and inefficient to build — so elaborate a structural framework is necessary and so much space must be devoted to elevators that such a tower can never meet any conventional economic standards.

It can be justified as a symbol, and as such it does have the ability to hold sway over the imagination. The tallest building in the world! It is not surprising that this potential building has taken on the aura, especially given that it would be taller by hundreds of feet than the 110-story Sears Tower in Chicago, the current record holder.

When all the excitement fades, however, how practical is such a tower in a functional sense? Even if the economic problems could be put aside, does anyone really want to live 150 stories in the air in a building with 2,599 other apartments?

Neal Boenzi/The New York Times

**Donald Trump with drawings of his Television City, which includes 150-story centerpiece, six "smaller" towers and a high-rise office building (far right).**

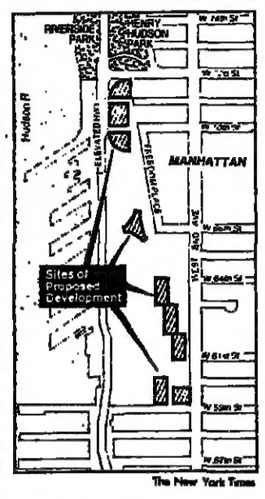
Trump assumes that the novelty of being able to say you live in the tallest skyscraper in the world will be enough to sell apartments, *but at the 95-story John Hancock* Tower in Chicago, which contains what are now the world's highest apartments, the units on the topmost floors are not the most popular. They sway in the wind, they are a much longer elevator trip from the ground and, most troubling for some people, it is often impossible to tell the weather on the street. And the view, while spectacular on a clear day, is more likely to be blocked by haze than are the views of neighbors 20 or 30 stories below.

In essence, there is little to this idea except its appeal as a symbol. And while Jahn's design is only schematic at this point, there is nothing in the futuristic, three-sided shape he has devised so far that seems to connect the building more closely to the city around it.

Trump's main purpose in proposing this 150-story tower has probably been well served already — people all over the world are talking about the Television City project. A likely second purpose emerges from the first, and is equally connected with image: By proposing to make a 150-story tower the centerpiece of his project, Trump has deflected attention from the fact that the rest of the project includes six 76-story apartment towers, which, by comparison to the central building, seem small.

Right now there is no apartment tower anywhere in New York that rises this high. Trump is proposing to build six of them. Yet he has managed, by virtue of juxtaposing these six towers with the world's tallest building, to make them seem small, causing observers to refer to these otherwise huge towers as the "little buildings."

The rest of the project seems to be what Trump is most serious about building. The overall plan is simple and straightforward: Most of the huge site from 59th Street to 72d Street, which once contained the Pennsylvania Railroad's train yards, would be decked over with a three-level platform that would have parking, a retail shopping center at the north end, television studio space at the south end and a park on the top level. The towers — including a 65-story office building — would be lined up at the eastern edge of the park.




The New York Times

While the platform makes considerable sense — it is really the best way to deal with the complexities of the old rail yard and the elevated West Side Highway, which runs along the western edge of the site — what is atop the platform is mainly the kind of planning that ought to have been left behind a generation ago. Putting huge towers in open space, with little connection to the varied pattern of streets, smaller spaces and different building types of the real city, is to see the city only as an abstraction.

For some enlightenment about what this project might be like, look at one of Chicago's notable buildings, Lake Point Tower, a 70-story apartment building of curving glass set on a stone base. Inspired by an unbuilt design of Mies van der Rohe, it is stunningly beautiful from afar; from close up, however, Lake Point Tower turns out to be a kind of vertical island, a sealed object cut off from any connection to the city around it.

Jahn's preliminary studies for the bases of the Television City *towers suggest* that these will be slightly better than Lake Point Tower. But the problem is inherent in any scheme of 76-story towers set in open space — its fundamental abstraction is antithetical to the elements that make a city truly a city, not merely a collection of tall buildings.

The challenge is to make the connections that turn a complex into something that possesses genuine urban qualities and is not simply an array of big buildings side by side. The one large project that has succeeded at doing this is Battery Park City in lower Manhattan, which under its new master plan by Cooper Eckstut has begun to evolve into an ideal example of large-scale development.

The present Battery Park City plan evolved slowly, only after the failure of several earlier master plans — which bore considerable resemblance to the flamboyant and overreaching Television City plan — became apparent.

Battery Park City's lessons, learned through hard experience, were that such a never-never land of big and glittering towers standing amid nothing doesn't really work. The saddest thing about Television City is that its sponsors seem to have picked up so little of the knowledge of cities and urban design gained in the last generation. To look at Television City is to think that the experience of the last 20 years in architecture had not happened at all.

## PEOPLE

### *Mother Teresa Opens AIDS Hospice in N.Y.*

Urging mercy and support for AIDS sufferers, **Mother Teresa** has opened a hospice in New York to care for terminally ill victims of acquired immune deficiency syndrome and won furloughs from state prison for three such patients. "We want that nobody dies unloved and uncared for," the Roman Catholic nun and Nobel Peace Prize winner said. Mother Teresa asked **Mayor Edward I. Koch** for help in getting the prisoners furloughed. He put her in contact with **Governor Mario Cuomo**, who granted her request. The nun, founder of the Missionary Sisters of Charity, called the 14-bed hospice at St. Veronica's Church in Greenwich Village a "guest house" where people with AIDS would be given spiritual comfort as well as medical aid. The Roman Catholic Archdiocese of New York plans to open as many such centers as possible, **Cardinal John J. O'Connor** said.

□

**Fidel Castro**, who is almost as well known for his Havana cigars as his revolutionary rhetoric, has quit smoking. "I haven't lit up a cigar for several months now," the Cuban leader said in an interview on Brazilian television. Calling his decision a "sacrifice I must make for public health," he added "I haven't really missed it that much." Castro, 59, said he started smoking *at age 14 or 15 but did not realize* until recently that his habit could endanger his health and others.

□

A U. S. federal judge has awarded $1,403 to a Vietnamese refugee who had deposited the money in a Saigon bank that was seized when the city fell to the North Vietnamese in 1975. The judgment by U.S. District **Judge Horace Gilmore** represented the value of 3 million South Vietnamese piasters held by **Ngoc Quang Trinh** at a bank formerly owned by Citibank of New York. Trinh was a student in the United States in 1974 when his father, **Quy Quang**, a South Vietnamese senator, set up the account in his son's name to help pay for his schooling. Trinh, now 39, filed suit against Citibank last year.

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**Emperor Hirohito** of Japan, 84, the world's longest-reigning monarch, began the 60th year of his reign Wednesday.



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